90-1743

Supreme Court, U.S.
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No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1990

NATIONAL ADVERTISING COMPANY, a Delaware Corporation, subsidiary of Minnesota Mining and Manufacturing, a Delaware Corporation,

Petitioner,

vs.

THE VILLAGE OF DOWNERS GROVE, an Illinois municipal corporation,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE APPELLATE COURT OF ILLINOIS, SECOND JUDICIAL DISTRICT

THOMAS J. CISAR
Counsel of Record
CISAR & MROFKA, LTD.
1550 Spring Road
Oak Brook, Illinois 60521
(708) 530-0000

Attorneys for Petitioner

Midwest Law Printing Co., Chicago 60611, (312) 321-0220

QUESTIONS PRESENTED

1. Whether respondent's 1987 zoning ordinance violates the first amendment to the Federal Constitution.

2. Whether respondent's zoning ordinance constitutes a taking and requires compensation under the fifth amendment.

3. Whether respondent's zoning ordinance violates petitioner's due process rights under the fourteenth amendment.

4. Whether substitution of the 1987 amended ordinance for the 1983 ordinance violated petitioner's fourteenth amendment due process rights.

5. Whether the Illinois appellate court's failure to recognize the interim settlement agreement violated Article 1 of the Federal Constitution.

PARTIES TO THE PROCEEDINGS

Petitioner National Advertising Company was the petitioner before the Supreme Court of Illinois. Petitioner is a Delaware corporation and a wholly owned subsidiary of Minnesota Mining and Manufacturing, also a Delaware corporation.

Respondent before this Court, the Village of Downers Grove, was one of the respondents before the Supreme Court of Illinois. The Village of Downers Grove Zoning Board of Appeals and its individual members, Gregory Beggs, Anthony Tonz, Eugenia Kucera, Laurence Musielak and Harold Slagter were respondents before the Supreme Court of Illinois. No relief is sought in this petition against the zoning board or its members.

Additionally, Opus Corporation and LaSalle National Bank as Trustee under Trust No. 101123 and 102630 were parties to the proceeding in the trial court. They were not parties to any appellate proceedings.

TABLE OF CONTENTS

	PAGE
QUESTIONS PRESENTED	i
PARTIES TO THE PROCEEDINGS	ii
TABLE OF AUTHORITIES	v
PRAYER	1
OPINION BELOW	2
JURISDICTION	2
CONSTITUTIONAL AND STATUTORY PROVISIONS	3
STATEMENT OF THE CASE	5
STATEMENT OF FACTS	7
REASONS FOR GRANTING THE WRIT:	
I.	
THE DECISIONS BELOW CONFLICT WITH THIS COURT'S DECISION IN *METROMEDIA, INC. v. SAN DIEGO*, 453 U.S. 490 (1981)	13
A. THE AMENDED ORDINANCE VIOLATES THE FIRST AMENDMENT BECAUSE IT BANS NONCOMMERCIAL SPEECH IN AREAS PERMITTING COMMERCIAL SPEECH	14
B. THE AMENDED ORDINANCE IS NOT PROPER AS A TIME, PLACE OR MANNER RESTRICTION BECAUSE IT IS NOT CONTENT NEUTRAL, NOT NARROWLY TAILORED, AND LEAVES NO ALTERNATIVE CHANNELS FOR COMMUNICATION OF BILLBOARD MESSAGES	15

C. THE AMENDED ORDINANCE VIOLATES THE FIRST AMENDMENT BECAUSE IT GRANTS MUNICIPAL OFFICIALS IMPERMISSIBLY BROAD DISCRETION TO DECIDE WHAT SPEECH TO PERMIT 16

D. RESPONDENT'S ORDINANCE FOR THE B-3 DISTRICT IS CONSTITUTIONALLY IMPERMISSIBLE BECAUSE IT FAVORS AND ENCOURAGES COMMERCIAL SPEECH AT THE EXPENSE OF NONCOMMERCIAL SPEECH 18

II.

THE ISSUE OF REGULATORY TAKING IS A MATTER OF NATIONAL SCOPE AND INTEREST. THE DECISIONS OF THE COURTS BELOW IN THIS CASE HAVE RENDERED THIS QUESTION RIPE FOR THIS COURT'S REVIEW 19

III.

THE ISSUE OF STATE REGULATION THAT GOES TOO FAR IN VIOLATION OF DUE PROCESS UNDER THE FOURTEENTH AMENDMENT IS NOW RIPE FOR REVIEW 21

A. A MATERIAL ISSUE OF FACT EXISTS AS TO WHETHER RESPONDENT'S ORDINANCE IS RATIONALLY RELATED TO ITS STATED PURPOSES 22

B. THE ILLINOIS COURT'S IMPROPER APPLICATION OF THE 1987 AMENDED ORDINANCE VIOLATED PETITIONER'S FOURTEENTH AMENDMENT DUE PROCESS RIGHTS BY SUBSTANTIALLY INTERFERING WITH PETITIONER'S VESTED RIGHTS IN AN UNREASONABLE MANNER 23

IV.

THE ILLINOIS COURTS' FAILURE TO GIVE EFFECT TO THE INTERIM SETTLEMENT AGREEMENT RESULTED IN A VIOLATION OF THE OBLIGATION OF CONTRACTS CLAUSE OF ARTICLE I OF THE FEDERAL CONSTITUTION 25

CONCLUSION 27

TABLE OF AUTHORITIES

Cases PAGE

Agins v. Tiburon, 447 U.S. 255 (1980) 19

Amalgamated Trust & Savings v. Silha, 121 Ill. App. 3d 1033 (1st Dist. 1984) 23

City of New Orleans v. Dukes, 427 U.S. 297 (1976) 22

Deer Park Civic Ass'n v. City of Chicago, 347 Ill. App. 346 (1952) 23, 24, 27

Fifteen Fifty State St. v. Chicago, 15 Ill. 2d 408 (1959) 23, 24, 27

Gust v. Village of Skokie, 125 Ill. App. 3d 102 (1984) 24, 26

MacDonald, Sommer & Frates v. Yolo County, 477 U.S. 340 (1986) 19, 21

Metromedia, Inc. v. San Diego, 453 U.S. 490 (1981) 11, 13, 22

National Advertising v. Downers Grove, 166 Ill. App. 3d 58 (1988), appeal denied, 121 Ill. 2d 572 (1988) 11

National Advertising v. Downers Grove, 204 Ill. App. 3d 499 (Ill. App. 2 Dist. 1990) 2

Pennsylvania Coal Co. v. Mahon, 260 U.S. 393 (1922) 21

San Diego Gas & Electric v. San Diego, 450 U.S. 621 (1981) 19

United States v. General Motors, 323 U.S. 373 (1945) 21

United States v. Kokinda, ___ U.S. ___, 110 S. Ct. 3115 (1990) 15

Village of Downers Grove v. Clark, 78 CH 422 (Eighteenth Judicial Circuit, DuPage County, Wheaton, Illinois 1978) 7

Wall v. Chicago Park District, 378 Ill. 81 (1941) . 25

Williamson County Regional Planning v. Hamilton Bank, 473 U.S. 172 (1985) 19, 23

Other Authorities

Constitution of the United States of America, Article I, Sec. 10-1 3

Constitution of the United States of America, First Amendment 3

Constitution of the United States of America, Fifth Amendment 3

Constitution of the United States of America, Fourteenth Amendment 3

1983 Downers Grove Zoning Ordinance 3

Amended Downers Grove Zoning Ordinance ... 4

Interim Settlement Agreement executed December 14, 1984 4

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PETITION FOR WRIT OF CERTIORARI TO THE APPELLATE COURT OF ILLINOIS, SECOND JUDICIAL DISTRICT

PRAYER

Petitioner National Advertising Company respectfully prays that a writ of certiorari issue to review the judgment of the Appellate Court of Illinois.

OPINION BELOW

The opinion rendered in this cause by the Appellate Court of Illinois, Second District, is reported at 204 Ill. App. 3d 499 (1990). See Appendix A.

JURISDICTION

On October 10, 1990, the Illinois Appellate Court affirmed the decision of the DuPage County Circuit Court against petitioner. Petitioner filed a timely petition for leave to appeal to the Illinois Supreme Court. The Illinois Supreme Court denied the petition for leave to appeal on February 6, 1991. See Appendix B. This petition is filed within ninety days of the order denying the petition for leave to appeal and is thus timely. This Court's jurisdiction is invoked under 28 U.S.C. § 1257.

CONSTITUTIONAL AND STATUTORY PROVISIONS

A. Constitution of the United States of America, **ARTICLE I, Sec. 10-1:**

No State shall . . . pass any . . . Law impairing the Obligation of Contracts. . . .

B. Constitution of the United States of America, **FIRST AMENDMENT:**

Congress shall make no law . . . abridging the freedom of speech. . . .

C. Constitution of the United States of America, **FIFTH AMENDMENT:**

. . . nor be deprived of life, liberty or property, without due process of law; nor shall private property be taken for public use, without just compensation.

D. Constitution of the United States of America, **FOURTEENTH AMENDMENT:**

. . . No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws. . . .

E. **1983 DOWNERS GROVE Zoning Ordinance:**

Article III-*Rules and Definitions*

Sign Advertising: A sign that directs attention to a business product or activity available or conducted at a location other than the zoning lot upon which such sign was located or that directs attention to a noncommercial message or idea not directly related to an activity conducted on such zoning lot.

Article IX-*Signs* (See Appendix C)

F. **Amended DOWNERS GROVE Zoning Ordinance** (See Appendix D).

G. "Interim Settlement Agreement executed December 14, 1984 . . .

* * *

"NOW, THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

* * *

"*Section 4:* In the event it is finally determined by this Court (or the Illinois Appellate Court, the Illinois Supreme Court or the United States Supreme Court, in the event of appeals) that the ordinances of the Village which regulate the signs described hereinabove are unconstitutional, void, beyond the authority of the Village, or for any other reason invalid,

"National shall be permitted to maintain such signs or to modify them in accordance with the final ruling or judgment entered in this case, or in accordance with valid requirements of any ordinances adopted by the Village in response to such final determination.

"*Section 5:* This is an Interim Settlement Agreement. The erection of the signs as set forth hereinabove is being authorized by the Village for the sole purpose of mitigating possible damages during the pendency of this action so that a full judicial determination as to the validity of the applicable Village ordinances may be had in a manner that is equitable to both parties. The parties recognize that, in effecting this Interim Settlement Agreement, certain procedural requirements of the Village, sometimes referred to as administrative remedies, including but not limited to, formal application for Village sign or building permits, requests for ordinance text amendments, variations or special uses, are, as to these signs only, obviated and avoided by the negotiation

and execution of this Interim Settlement Agreement. National will submit to the Village certificates of its structural engineer and its electrician, certifying that the sign installation are, or will be, in compliance with the Village requirements for structure, foundation and electrical wiring. National recognizes that, except as set forth herein, nothing in this Agreement and authorization shall be construed as a waiver by the Village of any rights or defenses with respect to the validity of said ordinances and other matters raise in this litigation."

STATEMENT OF THE CASE

Petitioner sued respondent challenging the constitutionality of its outdoor sign ordinance. It also sought judicial review of a decision by respondent's zoning board of appeals denying a variance from the size restrictions contained in the ordinance.

Petitioner is engaged in the business of outdoor advertising. In 1983, petitioner leased properties near a highway in respondent's B-3 and M-1 zoning districts and applied for permits to erect double faced 14 by 48 foot or 20 by 60 foot outdoor advertising signs.

Because the proposed signs exceeded the size restrictions of the local ordinance petitioner was denied a sign permit. Likewise, the application for a variance was also denied.

Petitioner then filed a four count complaint. Only Counts III and IV are involved in this petition. Count III alleged that the zoning ordinance in effect in 1983 violated the first amendment to the United States Constitution as a

content-based regulation. That ordinance only permitted political non-commercial messages.

Respondent amended the ordinance in 1987 so as to purportedly allow all non-commercial copy. Petitioner asserted in Count III that the Village improperly amended the ordinance. Petitioner also contended that the amended ordinance violated the first amendment.

Count IV alleged a violation of due process under the fourteenth amendment in that respondent had no rational basis for the size restrictions contained in the ordinance and a taking under the fifth amendment as going too far.

In January, 1985 the parties entered into an interim settlement agreement that permitted petitioner to erect three signs, one in the B-3 district and two in the M-1 district.

As is relevant to this appeal the trial court found the 1987 ordinance valid; that the 1987 not the 1983 ordinance applied; and that respondent was entitled to summary judgment on all issues.

On appeal, the Appellate Court of Illinois, Second District, held *inter alia*, that the 1987 amendment applied; that the ordinance did not violate the first amendment; that the ordinance was a proper time, place and manner restriction; that the due process clause did not provide more protection to petitioner's business than the first amendment; and that the ordinance did not result in a taking in violation of the fifth amendment.

STATEMENT OF FACTS

Petitioner, as previously described, is engaged in the outdoor advertising business and owns a substantial number of outdoor advertising signs (R. 556; 1122). The term "off-premise" refers to signs which convey a message related to a business, service or charity not conducted on the zoning lot where the sign is located. "On-premise" signs refer to business identification signs located on the same zoning lot as the identified business or activity (R. 96).

In 1981, the DuPage County Circuit Court in *Village of Downers Grove v. Clark*, 78 CH 422 (Eighteenth Judicial Circuit, DuPage County, Wheaton, Illinois 1978), ruled that the Illinois Highway Advertising Control Act (Ill. Rev. Stat., ch. 121, pars. 501-516) ("HACA") pre-empted local advertising ordinances. (R. 1170, 1171).

In 1983, respondent amended its ordinance to prohibit all off-premise signs in all commercial or industrially zoned districts except the B-3 district (R. 96-98). Under the ordinance and where allowed, off-premise signs may not exceed 20 feet in height and 200 square feet in area (R. 96-98). On-premise signs are permitted to exceed 20 feet in height and 200 square feet (R. 98; 1184); and are only limited by the lot's frontage (R. 97, 98).

In 1983, petitioner applied for permits to construct four off-premise signs on four separate properties zoned for commercial or industrial use (R. 377; 448; 577). When the applications were filed they complied with HACA and all lawful requirements of the ordinance (R. 87-99).

The Arun property, in a B-3 District, was to contain a 14 by 48 foot sign (R. 558). The Madden, Stillwell and

Potts Properties, in M-1 Districts, were to contain 20 by 60 foot signs (R. 566). The petitioner obtained required permits from the Illinois Department of Transportation ("IDOT") (R. 561; 565).

On December 14, 1984, the parties entered into an interim settlement agreement (R. 377-383). On January 16, 1985, the circuit court entered an order approving the agreement and allowing the parties to proceed with the litigation pursuant to the terms of the agreement.

Under the interim settlement agreement, petitioner was permitted to build and maintain signs on the Arun, Madden and Stillwell properties that exceeded the square footage limitations of the local ordinance but complied with HACA (R. 378-380). In return, petitioner waived its potential damage claims against respondent (R. 380).

Under the agreement, if respondent's 1983 ordinance was held valid, petitioner would remove the signs (R. 380). If respondent's 1983 ordinance was found invalid, petitioner could maintain its signs or modify them in accordance with any final court ruling or in accordance with any valid ordinance adopted in response to the contemplated final judicial determination (R. 381).

The Arun, Stillwell and Madden signs are adjacent to Interstate 88 ("I-88"), a six-lane, controlled-access highway (R. 448; 450). The Potts sign was to be erected adjacent to Interstate 355 ("I-355"), also a six-lane, controlled access highway (R. 565). All of the signs are oriented to travellers on the respective highways (R. 566).

The Madden and Stillwell locations contain automobile dealerships. The Arun location houses a discount mail order house (R. 1128). The three properties and various large on-premise signs located thereon are all visible from

I-88 (R. 1128). On-premise signs on the Arun property alone exceed 3,700 square feet (R. 1128).

On these properties and in their vicinities are many other man-made structures including radio antennas, power lines, elevated tollway ramps, water towers and large office and commercial buildings, many of which have signs attached to them (R. 1128, 1129).

In addition to construction costs, Plaintiff expended in excess of $39,000.00 for selecting the locations, obtaining ground leases and for drafting, planning and engineering the signs (R. 1129).

On interstate highways such as I-88 and I-355, petitioner customarily uses standard, easily visible display faces: 14 by 48 foot (672 square feet), and 20 by 60 foot (1200 square feet) (R. 1133, 1134). These standard sizes are recognized both in the Federal Highway Beautification Act ("HBA") and the HACA. Signs of the limited height and size described in respondent's 1983 (and 1987) ordinance are neither made nor used in respondent's industry (R. 1135).

Petitioner's signs are available to anyone wishing to purchase advertising space. They convey numerous messages and information, regardless of content (R. 1137, 1138).

Petitioner frequently makes space available for speech at reduced rates, and sometimes at no cost at all (R. 1137). Such discount rate advertisers include the League of Women Voters, the Boy and Girl Scouts of America, the March of Dimes, the American Red Cross, the Chicago Museum of Science and Industry, and similar organizations (R. 197; 200; 203; 205; 210; 1137). During 1988, petitioner's donations of public service, display space to such organizations totalled $2,211,765.00 (R. 1139).

In 1983, petitioner applied for building permits for its signs. Upon denial of the permits it applied for variances from the 1983 ordinance for the Arun sign. On June 22, 1983, the zoning board of appeals held a public hearing and denied the variances (R. 1379-1388). With respect to the other signs, the parties have stipulated that petitioner properly exhausted its administrative remedies (R. 381-382). Petitioner then sued in the DuPage County Circuit Court seeking administrative review, declaratory and injunctive relief, and damages alleging that the 1983 ordinance was void and unenforceable (R. 555). After several amendments to the complaint, petitioner moved for summary judgment in 1986, claiming in its third amended complaint that: (a) the 1983 ordinance had been preempted by HACA (Count II); and (b) the 1983 ordinance violated petitioner's first amendment rights (Count III) (R. 429-435).

The circuit court granted petitioner's motion on the preemption issue in December, 1986 (R. 432). Respondent moved to have the circuit court certify its ruling on preemption to perfect an interlocutory appeal (R. 432-435). The trial judge granted respondent's motion but refused to rule on petitioner's motion for summary judgment on its first amendment claim so that both issues could be consolidated for appeal (R. 433).

In March, 1987, with both the interlocutory appeal and petitioner's first amendment summary judgment motion pending, respondent amended the 1983 ordinance as to its content restrictions and the definition of "Advertising Sign" (R. 101-107). Respondent's 1987 amendment was an attempt to avoid similar first amendment challenges to the 1983 ordinance made by another litigant (R. 683-685; 715, 716; 1231).

In 1988 the Illinois Appellate Court, Second District, held that HACA did not pre-empt the height and size restrictions in the 1983 ordinance. *National Advertising v. Downers Grove*, 166 Ill. App. 3d 58 (1988), appeal denied, 121 Ill. 2d 572 (1988). After remand, petitioner renewed its summary judgment motion on its first amendment claim. Respondent filed a cross-motion on the same issue (R. 12; 175).

Petitioner's first amendment claim challenged the 1983 ordinance which had been in effect when it filed its permit applications and upon which it had based its complaint. Respondent, on the other hand, defended the amended ordinance (R. 12; 175).

Petitioner argued: (a) the 1983 ordinance was void because it was basically identical to that struck down by this Court in *Metromedia, Inc. v. San Diego*, 453 U.S. 490 (1981); and (b) that respondent was estopped from applying the amended ordinance (R. 395).

The circuit court ruled that the 1987 amended ordinance governed the first amendment claim. Petitioner was granted leave to amend (R. 652; 1494-1497), and filed its fourth amended complaint June 1, 1989 (R. 681).

Count I sought administrative review of the denial of the variances for the Arun sign (R. 682). Count III alleged that the 1983 ordinance as well as the 1987 ordinance violated petitioner's first amendment rights (R. 683-690). Count IV alleged a violation of due process and an unfair taking (R. 690-693). The circuit court never ruled whether the 1983 ordinance or the 1987 amendment applied to Count IV (R. 1545-1547).

Respondent moved to dismiss petitioner's administrative review action (Count I) on July 19, 1989. At the same time

respondent moved for summary judgment on the first amendment (Count III) and the due process-taking (Count IV) issues (R. 735; 831). Respondent presented no affidavits or other evidence to support its entitlement to summary judgment.

Petitioner countered respondent's motion for summary judgment with affidavits of experts in land use, traffic safety, appraising and media. Petitioner's expert witnesses demonstrated that the signs which were built in 1985 are consistent with existing uses in the area and have an inconsequential effect on the aesthetics of the area (R. 1175, 1176; 1183-1185).

Petitioner's traffic safety expert concluded that the signs had no adverse impact on traffic safety (R. 1191, 1192) and had not been the cause of any traffic safety problem (R. 1126). Petitioner's real estate appraiser testified that the signs added value to the parcels he examined (R. 1258-1263).

Notwithstanding respondent's failure to present contrary evidence, the circuit court, on September 7, 1989, granted summary judgment for respondent on petitioner's due process and taking claims without giving any reasons for its decision (Count IV) (R. 1356; 1548). On November 14, 1989 the circuit court granted respondent's motion to dismiss petitioner's administrative review action (R. 1434, 1565).

Petitioner then perfected an appeal to the Illinois Appellate Court, Second District.

REASONS FOR GRANTING THE WRIT

I.

THE DECISIONS BELOW CONFLICT WITH THIS COURT'S DECISION IN *METROMEDIA, INC. v. SAN DIEGO*, 453 U.S. 490 (1981).

The decisions below conflict with the holding of this Court in *Metromedia, Inc. v. San Diego*, 453 U.S. 490 (1981). In *Metromedia*, this Court considered San Diego's ordinance, exempting from a general ban on billboards, all onsite commercial advertisements. In finding the San Diego ordinance unconstitutional, this Court reached three significant conclusions. It held that San Diego was free to place greater value on the interests underlying onsite commercial advertising than on the traffic safety and aesthetic interests underlying the general ban on billboards. 453 U.S. at 512. It held that the city could exempt onsite commercial signs from the general ban on billboards. 453 U.S. at 512. Finally, this Court held that San Diego could not prohibit the display of noncommercial messages in places where commercial messages were permitted. 453 U.S. at 536.

In the instant case, the respondent's amended ordinance purports to allow noncommercial messages in addition to onsite commercial messages in all zoning districts except the B-3 district. In fact, all non-commercial messages are prohibited in all commercial and industrial zones except in the B-3 district.

The constitutional defects in the amended ordinance are threefold. First, it prohibits the display of all noncommercial messages in zones where onsite commercial messages are permitted. This result is specifically prohibited by

Metromedia. Second, the ordinance is not a proper time, place or manner restriction because it is not content neutral. Third, the ordinance is vague and overbroad.

A. THE AMENDED ORDINANCE VIOLATES THE FIRST AMENDMENT BECAUSE IT BANS NONCOMMERCIAL SPEECH IN AREAS PERMITTING COMMERCIAL SPEECH.

The amended ordinance includes a number of definitions including the definition of "advertising sign" which is:

> "A sign that directs attention to a business product or activity available or conducted at a location other than the zoning lot upon which such sign was located or that directs attention to a noncommercial message or idea not directly related to an activity conducted on such zoning lot."

Nearly all other signs are defined in terms of their mechanical components. For example, canopy, flashing, freestanding, moving, etc.

Under the provisions of respondent's zoning ordinance, and except in the B-3 district, all signs are subject to the following "content" limitation:

> "Except for signs containing noncommercial copy of any nature, content of signs shall be limited to the business, product and activity available or conducted on the zoning lot."

On its face, this content restriction allows onsite commercial copy and purports to allow onsite or offsite noncommercial copy. But, reading the ordinance as a whole, noncommercial speech is effectively banned.

By definition, all messages not directly related to an activity conducted on the zoning lot where the sign appears are "advertising signs". But, advertising signs are

not allowed in any zoning district except the B-3 district. (See Appendix D). Accordingly, under the ordinance, all messages, commercial and noncommercial, "not directly related" to an activity conducted on the zoning lot where the sign appears are banned in all commercial or industrial zones except one.

In reality, noncommercial copy directly related to an activity conducted on the lot where the message appears does not exist. For example, a business owner in a zone other than B-3 wishes to put up a sign saying "save the whales." Unless the business is in the business of saving whales, such a sign is an advertising sign by definition. Since advertising signs are not permitted, except in the B-3 zone, the "save the whales" message is banned. Accordingly, respondent's amended ordinance violates *Metromedia* because it prohibits noncommercial speech in areas where commercial speech is allowed.

B. THE AMENDED ORDINANCE IS NOT PROPER AS A TIME, PLACE OR MANNER RESTRICTION BECAUSE IT IS NOT CONTENT NEUTRAL, NOT NARROWLY TAILORED, AND LEAVES NO ALTERNATIVE CHANNELS FOR COMMUNICATION OF BILLBOARD MESSAGES.

The law is well established that a government "may impose reasonable restrictions on the time, place, or manner of protected speech, provided the restrictions are justified without reference to the content of the regulated speech, that are narrowly tailored to serve a significant governmental interest, and that they leave open ample alternative channels for communication of the information." *United States v. Kokinda*, ____ U.S. ____, 110 S. Ct. 3115, 3126 (1990). Respondent's amended ordinance fails all three tests.

First as previously explained, all noncommercial speech is prohibited except in the B-3 district. Since the content of the noncommercial speech is controlled by the activity on the zoning lot, the ordinance is not content neutral.

For similar reasons, the ordinance is not narrowly tailored and fails to leave any alternative channels of communication because it bans all offsite signs in areas where commercial signs are allowed. This shows that the amended ordinance is overbroad and is not "narrowly tailored". Also because the ordinance eliminates virtually all noncommercial messages in all but the one district, ample alternative channels for noncommercial speech are nonexistent. Accordingly, the ordinance fails all three prongs of this Court's time, place, or manner tests.

C. THE AMENDED ORDINANCE VIOLATES THE FIRST AMENDMENT BECAUSE IT GRANTS MUNICIPAL OFFICIALS IMPERMISSIBLY BROAD DISCRETION TO DECIDE WHAT SPEECH TO PERMIT.

The term "noncommercial copy" appears as a content-based exclusion in the section of the ordinance where permitted sign content is defined. In areas zoned R-1 through R-6, "content" is defined as follows:

> "*Content*: Except for signs containing noncommercial copy of any nature and rummage or garage sale signs, content of signs shall be limited to the business, product, and activity available or conducted on the zoning lot."

This content-based exclusion is similar in areas zoned B-1, B-2, M-1, M-2, O-R and O-R-M:

> "*Content*: Except for signs containing noncommercial copy of any nature, content of signs shall be limited to the business, product, and activity available or conducted on the zoning lot."

Finally, "advertising signs" are added as a content-based exclusion in the B-3 district:

> "*Content*: Except for signs containing noncommercial copy of any nature and advertising signs, content of signs shall be limited to the business, product, and activity available or conducted on the zoning lot."

"Advertising sign" as previously explained is defined as a sign directing attention to any message "not directly related to an activity conducted on such zoning lot".

Laws regulating speech-related activities are unconstitutional if they are too vague to make absolutely clear what they permit or forbid. The first amendment serves as a strong impediment to schemes giving public officials broad discretion to decide what types of speech a municipality can permit or forbid.

Of course, the constitutional defect rendering the ordinance void for vagueness is that respondent fails to define the terms "noncommercial", or "commercial" anywhere.

Since respondent's sign ordinance employs content-based restrictions containing critical but undefined terms such as "noncommercial copy" and "noncommercial message", such vagueness gives local officials broad discretion to decide which speech to allow and which to prohibit. As a result, the ordinance prohibits or at least exerts a "chilling effect" on constitutionally protected speech. Accordingly, the courts below incorrectly held respondent's amended ordinance to be constitutional.

D. RESPONDENT'S ORDINANCE FOR THE B-3 DISTRICT IS CONSTITUTIONALLY IMPERMISSIBLE BECAUSE IT FAVORS AND ENCOURAGES COMMERCIAL SPEECH AT THE EXPENSE OF NONCOMMERCIAL SPEECH.

As previously argued, signs in the B-3 district are subject to a "content" restriction different than the restriction imposed on all other zones as follows:

> "*Content*: Except for signs containing noncommercial copy of any nature and advertising signs, content of signs shall be limited to the business, product, and activity available or conducted on the zoning lot."

That difference is the addition of "advertising signs" to the exception from the content restriction. Thus, offsite commercial and noncommercial messages are permitted. Further, the B-3 district is the only district in which advertising signs are allowed.

But under the restrictions placed against advertising signs, such signs are limited to 200 square feet. On the other hand, onsite commercial messages are limited in size only by the amount of frontage. Accordingly, in the B-3 district, the amended ordinance restricts noncommercial speech to 200 square feet but permits commercial speech to a much greater extent.

The Arun property is zoned B-3. Signs on the Arun property exceed 3700 square feet. A 200 square foot sign containing a noncommercial message would be lost. The amended ordinance, thereby, favors commercial speech over noncommercial speech. It allows for and encourages commercial speech while discouraging, through unreasonable size restrictions, noncommercial speech. This result is constitutionally improper because noncommercial speech

is afforded greater first amendment protection than is commercial speech. The Illinois courts erred in finding the amended ordinance to be constitutional.

II.

THE ISSUE OF REGULATORY TAKING IS A MATTER OF NATIONAL SCOPE AND INTEREST. THE DECISIONS OF THE COURTS BELOW IN THIS CASE HAVE RENDERED THIS QUESTION RIPE FOR THIS COURT'S REVIEW.

On four occasions, this Court has sought to resolve the dual issue of whether governmental regulations can go so far as to amount to a taking requiring just compensation under the fifth amendment. The alternative issue, whether such regulations violate fourteenth amendment due process rights, requiring invalidation of the regulation is discussed in the next section.

This Court has recognized the existence of taking-due process issues in *MacDonald, Sommer & Frates v. Yolo County*, 477 U.S. 340 (1986), *Williamson County Regional Planning v. Hamilton Bank*, 473 U.S. 172 (1985), *San Diego Gas & Electric v. San Diego*, 450 U.S. 621 (1981), and *Agins v. Tiburon*, 447 U.S. 255 (1980). Yet, this Court has not addressed this question because in each case it found the petitioner's claim to be premature. In *Williamson County Regional Planning v. Hamilton Bank*, this Court stated that for such a claim to be ripe, two requirements must be met. First, to determine if a regulatory taking has occurred, the party alleging the taking must have a final decision regarding the application of the zoning ordinance to its property. 473 U.S. at 186-94. Second, the party claiming the taking must have utilized the procedures available under state law to request, and be denied, just compensation. 473 U.S. at 194-97.

In the case at bar, both of these elements are satisfied. First, the petitioner has obtained a final decision as to how the ordinance will be applied to its property. Petitioner applied for a building permit which was denied. Petitioner then applied for a variance which was also denied. Petitioner challenged this action in court and lost. In fact, both parties stipulated that petitioner exhausted its administrative remedies. The final result is that petitioner can only erect advertising signs so small as to be economically useless, thereby destroying petitioner's investment-backed expectations.

The second requirement is that an attempt to obtain compensation has failed. Count IV of petitioner's complaint alleged an unfair taking in violation of the fifth amendment. On September 7, 1989, respondent obtained summary judgment without explanation. On October 10, 1990, the appellate court affirmed. The Illinois Supreme Court affirmed the appellate court decision on February 6, 1991 when it denied petitioner's petition for leave to appeal. Accordingly, the petitioner has sought, and been denied, just compensation for the taking.

The appellate court denied compensation on the basis that no taking had occurred. That court erroneously ruled that a taking had not occurred, and relied on three faulty arguments to support its decision. First, the court glossed over the aspect of a regulatory taking, and stated that respondent never physically invaded petitioner's property. The court further reasoned that because petitioner was a lessee and not the owner of the underlying realty, there was no denial of an economically viable use of the land to the owner. Finally, the court said that petitioner's legitimate investment-backed expectations had not been interfered with because petitioner had notice that its intended use was not allowed under the then existing zoning ordinance.

Those statements of the law are simply wrong. Physical invasion is not a prerequisite to a taking. This Court has stated that a regulatory taking can occur where the regulation has in substance taken the property, i.e., when the regulation "goes too far." *MacDonald*, 477 U.S. at 348, *citing Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393, 415 (1922). Also, ownership in fee is not required. This Court has found that a compensable taking occurs even where the interest is a leasehold. *United States v. General Motors*, 323 U.S. 373 (1945). Finally, the determination that petitioner had notice that its intended use was impermissible is unfounded. First, the ordinance in question was unconstitutional under *Metromedia*. Second, the proposed use was permitted in 1983 under HACA.

III.

THE ISSUE OF STATE REGULATION THAT GOES TOO FAR IN VIOLATION OF DUE PROCESS UNDER THE FOURTEENTH AMENDMENT IS NOW RIPE FOR REVIEW.

This case presents two separate fourteenth amendment due process questions. First, was the 1983 zoning ordinance violative of petitioner's substantive due process rights because it was unreasonably related to the defendant's stated goals of aesthetics and traffic safety? Second, did retroactive application of the 1987 amended ordinance violate petitioner's substantive due process rights by substantially impairing a vested right in an unreasonable manner?

Although the Illinois courts were presented with these due process issues they were barely discussed by those courts. To the extent due process was discussed, the appellate court lumped the issues together and then categorically disposed of them.

The appellate court's due process analysis consisted of a reference to footnote 25 of the *Metromedia* decision. In that footnote, this Court commented that due process affords a business no greater protection than the first amendment. 453 U.S. at 520. The appellate court took that to mean that since it did not accept the first amendment argument, it did not need to consider the due process issues. This was error because petitioner's due process claims do not focus on the content of speech, but rather the reasonableness of the ordinance, the destruction of petitioner's economically viable use of its property, and the destruction of its investment-backed expectations.

A. MATERIAL ISSUE OF FACT EXISTS AS TO WHETHER RESPONDENT'S ORDINANCE IS RATIONALLY RELATED TO ITS STATED PURPOSES.

The first due process issue is whether both the 1983 and the 1987 amended ordinance violated petitioner's substantive due process rights. It is accepted that where a party challenges the validity of an ordinance which does not affect a fundamental right, the ordinance will withstand the constitutional challenge if it is rationally related to a legitimate state interest. *City of New Orleans v. Dukes*, 427 U.S. 297 (1976). The interest here is petitioner's right to use its property in a viable and economically sound manner in furtherance of its investment-backed expectations.

The goals stated in respondent's ordinances were aesthetics and traffic safety. In opposition to respondent's motion for summary judgment, petitioner presented expert testimony that the ordinance would not improve the aesthetics of the area, nor would it improve traffic safety. The evidence also showed that the ordinance would have a substantial negative impact on petitioner's business. Peti-

tioner's evidence indicated that neither ordinance would produce the desired results, but would substantially diminish the value of petitioner's property and destroy its investment-backed expectations. See *Williamson County Regional Planning v. Hamilton Bank*, 473 U.S. 172, 197-200.

Respondent presented no evidence to support its motion for summary judgment or to challenge petitioner's expert testimony. Accordingly, petitioner demonstrated material issues of fact which were not overcome by respondent. Where there is a genuine issue of material fact, summary judgment is not appropriate. *Amalgamated Trust & Savings v. Silha*, 121 Ill. App. 3d 1033 (1st Dist 1984). Accordingly, the lower courts erred in granting and upholding respondent's motion for summary judgment on this due process claim.

B. THE ILLINOIS COURTS' IMPROPER APPLICATION OF THE 1987 AMENDED ORDINANCE VIOLATED PETITIONER'S FOURTEENTH AMENDMENT DUE PROCESS RIGHTS BY SUBSTANTIALLY INTERFERING WITH PETITIONER'S VESTED RIGHTS IN AN UNREASONABLE MANNER.

The second due process issue is whether retroactive application of the 1987 amended ordinance violated petitioner's substantive due process rights by substantially impairing a vested right in an unreasonable manner. The answer to this question requires analysis of three separate questions. First, was there a vested right? Second, was the right substantially impaired? Third, was the impairment of the right unreasonable under the circumstances?

In Illinois, property rights vest at the time a permit application is filed, so long as the application involves a permitted use. *Fifteen Fifty State St. v. Chicago*, 15 Ill. 2d 408, 416 (1959), *citing Deer Park Civic Ass'n v. City*

of Chicago, 347 Ill. App. 346 (1952). Petitioner's application was for a permitted use and complied with the requirements of HACA (the controlling preemptive statute under Illinois law in 1983). Accordingly, petitioner's rights vested at the time of filing.

And, notwithstanding the permit application, the execution of the interim settlement agreement clearly vested petitioner's rights, either by obligation of contract or estoppel. *Fifteen Fifty State St.*, 15 Ill. 2d at 416.

Petitioner's vested right was to use the property with signs conforming to HACA, subject to a condition subsequent. The condition subsequent which would divest that right was a final determination that the 1983 ordinance was constitutional.

The second question is whether petitioner's vested right was substantially impaired. Petitioner's vested rights will be destroyed if the appellate court decision is allowed to stand. The Illinois courts determined that the 1987 amended ordinance controls the outcome of the dispute and substituted it for the 1983 ordinance. The 1987 ordinance was enacted after the interim settlement agreement, and designed to overcome the 1983 ordinance's constitutional failings. Substituting the 1987 amended ordinance for the 1983 ordinance unfairly and unreasonably biased the litigation in favor of respondent.

The third question is one of reasonableness under the circumstances. The general rule is that a municipality may amend an ordinance even if it is in litigation, with the resultant amendment applying to the litigation. *Gust v. Village of Skokie*, 125 Ill. App. 3d 102 (1984). Under the circumstances here, such an application of the general rule is unreasonable and unfair.

Based on the undisputed facts, the interim settlement agreement controls the fate of the signs at issue in this

litigation. Petitioner made calculated assumptions regarding the likelihood of success and revenue that could be generated during the course of litigation. On this basis and in consideration for the permission to erect signs conforming with HACA, petitioner waived its future damage claim. Moreover, respondent was aware of these considerations because it agreed to the interim settlement agreement to mitigate damages. It would be simply unfair and unreasonable to allow respondent to benefit from petitioner's damage waiver and then allow it further benefit by changing the rules in mid-stream to bias the litigation in respondent's favor.

IV.

THE ILLINOIS COURTS' FAILURE TO GIVE EFFECT TO THE INTERIM SETTLEMENT AGREEMENT RESULTED IN A VIOLATION OF THE OBLIGATION OF CONTRACTS CLAUSE OF ARTICLE I OF THE FEDERAL CONSTITUTION.

Petitioner's petition for certiorari should be granted to prevent a violation of the obligation of contracts under Article I of the Federal Constitution. It is well established law, and Illinois courts have recognized, that under the contracts clause of article I, a municipality cannot renege on its contractual obligations. *Wall v. Chicago Park District*, 378 Ill. 81, 93, 94 (1941).

In the case at bar, petitioner entered into an interim settlement agreement which allowed petitioner to erect signs on three of its four leaseholds. In addition, the parties agreed that the fate of these signs would be determined by the outcome of litigation over the constitutionality of the 1983 zoning ordinance.

Petitioner gave valuable consideration for this agreement. Petitioner made calculated assumptions regarding the likelihood of success and revenue that could be gen-

erated during the course of litigation. On this basis and in exchange for the permission to erect its signs, petitioner waived any potential damage claim. Clearly, respondent was aware of these considerations, since it agreed to the interim settlement agreement in order to mitigate damages. Accordingly, it would be unfair and unreasonable to allow the respondent to benefit from petitioner's damage waiver and then refuse to give the agreement effect with respect to the petitioner's signs.

In 1987, respondent amended its zoning ordinance in apparent recognition of the unconstitutionality of the 1983 version. Respondent then argued successfully that the amended ordinance should be controlling. As a general rule, the legislature has the continuing right to amend an ordinance, even while litigation involving the ordinance is pending, and the court must decide the case based on the law in effect at the time of the decision. *Gust v. Village of Skokie*, 125 Ill. App. 3d 102, 105-06 (1984).

However, the Illinois appellate court misconstrued and misapplied the interim settlement agreement in a way that results in a violation of the obligation of contracts clause of Article I of the Federal Constitution. The agreement created in petitioner a vested right to construct and maintain signs on its property. This right could be divested only by a condition subsequent, a final determination that the 1983 ordinance was constitutional.

Petitioner has previously argued that the appellate court erred in determining that the 1987 ordinance was constitutional. Nevertheless, that court, in issuing its decision, should also have given full effect to the interim settlement agreement. Under that agreement, the signs were to stay if the 1983 ordinance was unconstitutional. Respondent all but conceded that the 1983 ordinance was unconstitutional. Accordingly, the signs must be allowed to stay in order to satisfy the interim settlement agreement.

Further, under applicable law, respondent should be estopped from forcing the petitioner to remove its signs. Illinois law provides that if a person relies to his detriment on statements or representations from a governmental authority, then the governmental body will be estopped from enforcing the ordinance against the person relying on the representations. *Fifteen Fifty State St. v. Chicago*, 15 Ill. 2d 408 (1959), *citing Deer Park Civic Ass'n v. City of Chicago*, 347 Ill. App. 346 (1952). That principle clearly applies here in that petitioner detrimentally relied on the interim settlement agreement by expending substantial sums to design and erect the signs. Respondent then amended its ordinance in 1987. Respondent was estopped from relying on the 1987 amendment to the detriment of petitioner's previously established rights.

CONCLUSION

Petitioner respectfully prays that this Honorable Court grant this petition and issue a writ of certiorari to review the judgment of the Appellate Court of Illinois.

Respectfully submitted,

THOMAS J. CISAR
Counsel of Record
CISAR & MROFKA, LTD.
1550 Spring Road
Oak Brook, Illinois 60521
(708) 530-0000

Attorneys for Petitioner

APPENDICES

INDEX TO APPENDIX

	PAGE
A— Opinion of the Appellate Court of Illinois, October 10, 1990	A1
B— Order of the Supreme Court of Illinois Denying Leave to Appeal, February 6, 1991	B1
C— Downers Grove Zoning Ordinance	C1
D— Amended Downers Grove Zoning Ordinance	D1

APPENDIX A

[Filed October 10, 1990]

No. 2-89-1292

IN THE
APPELLATE COURT OF ILLINOIS
SECOND DISTRICT

NATIONAL ADVERTISING COMPANY,

Plaintiff-Appellant,

v.

THE VILLAGE OF DOWNERS GROVE, THE VILLAGE OF DOWNERS GROVE ZONING BOARD OF APPEALS, GREGORY BEGGS, ANTHONY TONZ, EUGENIA KUCERA, LAURENCE MUSIELAK, and HAROLD SLAGTER,

Defendants-Appellees

(Opus Corporation, Defendant;
LaSalle National Bank, Intervenor-Defendant).

Appeal from the Circuit Court of DuPage County.
No. 88-MR-527
Hon. John W. Darrah, Judge Presiding.

JUSTICE DUNN delivered the opinion of the court:

National Advertising Co. (National) brought suit against the Village of Downers Grove (Village) challenging the constitutionality of its outdoor sign ordinance. It also sought reversal of the Village's zoning board of appeals

decision denying it a variance from the ordinance's size restrictions. The trial court granted summary judgment to Downers Grove, and National now appeals.

National is engaged in the business of outdoor advertising. It makes its signs available for commercial and noncommercial messages. In 1983, National leased property near a highway in Downers Grove's B-3 zoning district and applied for a permit to display a double-faced outdoor advertising sign measuring 14 by 48 feet on a sign structure 67 feet high. Under Downers Grove's sign ordinance, an advertising sign is defined as any sign that directs attention to a business, product, or activity available or conducted at a location other than on the zoning lot upon which the sign is located. This type of sign is also commonly known as an off-site or off-premise sign. Advertising or off-site signs are allowed in Downers Grove in one district—B-3—and signs in the B-3 district may not exceed 20 feet in height and 200 square feet in area.

Because National's proposed sign exceeded the size and height permitted in the B-3 district, it was denied a sign permit. National applied to the zoning board of appeals for a variance on the size limitation, which was also denied. It then filed this four-count complaint. In count I, National challenged the decision of the zoning board of appeals. In count II, National claimed that the zoning ordinance was impermissibly more restrictive than the provisions of the Highway Advertising Control Act of 1971 (Ill. Rev. Stat. 1987, ch. 121, par. 501 *et seq.*). This argument was raised and rejected by interlocutory appeal in *National Advertising Co. v. Village of Downers Grove* (1988), 166 Ill. App. 3d 58, resulting in the dismissal of count II.

National had also asserted in count II that it sought to display advertising signs on leased space of three prop-

erties in the M-1 district. These facts were incorporated by reference into counts III and IV. Signs in the M-1 district and the other business and manufacturing districts are permitted so long as they pertain to the business on the premises. And, there is also one exception. Noncommercial copy of any nature may be displayed in these districts as well as in the B-3 district. The size of the signs in districts other than B-3 is determined by the frontage area of the property, *i.e.*, signs in the M-1 district may not exceed one square foot per foot of lot frontage. The signs permitted in these other districts are also commonly referred to as on-site or on-premise signs.

In count III National first claimed that the zoning ordinance in effect in 1983 violated the first amendment to the United States Constitution as a content-based regulation. In 1983, the sign ordinance did not state that all noncommercial copy was permissible. It allowed only noncommercial copy related to political messages. In 1987, the Village amended the ordinance to allow all noncommercial copy. National asserted in count III that the Village improperly amended the ordinance; it also claimed that the amended ordinance violated the first amendment.

In count IV National asserted a violation of due process under the fourteenth amendment and a taking under the fifth amendment, claiming that Downers Grove had no rational basis for limiting its signs to 20 feet in height and 200 square feet in area.

In January 1985 the parties entered an interim settlement agreement that permitted National to display its sign in the B-3 district and to display signs in the M-1 district on the properties it had mentioned in count II. The agreement stated that National would be permitted to maintain such signs in the event that the sign ordinance

was found invalid; but, if valid, National would be required to remove the signs within 30 days.

The trial court found the sign ordinance valid and granted summary judgment to Downers Grove. National now raises the following issues on appeal: (1) whether the trial court erred in ruling that the 1987 amended ordinance applied to this case; (2) whether the trial court erred in granting Downers Grove summary judgment on National's first amendment claim and whether the amended ordinance violates the first amendment; (3) whether the ordinance violates due process; (4) whether National has suffered a taking under the fifth amendment; and (5) whether the court erred in affirming the decision of the Downers Grove zoning board of appeals. For the reasons stated below, we affirm.

National first contends the court erred in applying Downers Grove's 1987 amended ordinance to this case. In a twist of logic, National argues that the 1983 ordinance must apply rather than the 1987 amended ordinance that corrects the asserted unconstitutional regulation. National contends the ordinance in effect in 1983 was an impermissible content-based regulation because it allowed only one type of noncommercial message, political. The amendment did away with the content-based exception for political speech by adding an exception for all noncommercial copy.

A legislative body has a continuing right to amend an ordinance even while litigation involving the ordinance is pending, and the court must decide the case in accordance with the law in effect at the time of decision. (*Gust v. Village of Skokie* (1984), 125 Ill. App. 3d 102, 105-06; *Sagittarius, Inc. v. Village of Arlington Heights* (1980), 90 Ill. App. 3d 401, 404.) At the time the trial court decided the case by summary judgment in 1989, the 1987 amendment was in effect. Thus, the trial court properly

applied the amendment to this action. National's arguments to the contrary are without merit.

National erroneously compares this case to *Phillips Petroleum Co. v. City of Park Ridge* (1958), 16 Ill. App. 2d 555, arguing that Downers Grove wrongfully denied its applications for permits, thus preventing it from acquiring a vested right before the ordinance was amended. In *Phillips*, the plaintiff applied for a building permit in conformance with the applicable zoning ordinance. The city, however, passed a resolution to temporarily stop building permits from being issued and then amended the zoning ordinance to disallow plaintiff's intended use of the property. (*Phillips*, 16 Ill. App. 2d at 557-59.) The court determined that the city lacked the power to pass a resolution that kept building permits from being issued, and, but for the improper ordinance, plaintiff would have acquired a vested right under the zoning ordinance. (*Phillips*, 16 Ill. App. 2d at 564-66.) These facts are dissimilar to this case. Here, National's permit application did not conform to the zoning ordinance; it failed to comply with the zoning ordinance's size requirements. Furthermore, Downers Grove did not act outside its authority by enacting a temporary resolution that stopped National's permit from otherwise being issued. Downers Grove did not act in midstream to stop National from acquiring a vested right.

National also contends that it had a vested right under the 1983 ordinance. Where a law has been amended, a prior law will be recognized where to do otherwise would affect a vested right. (*Gust*, 125 Ill. App. 3d at 106; *Maiter v. Chicago Board of Education* (1980), 82 Ill. 2d 373.) National contends it obtained a vested right to erect its signs in 1983 when its permit applications were denied because the ordinance at that time violated the first amendment.

This, too, is illogical. In the first place, National has not lost a right it would have had but for the amended ordinance. The amended ordinance did not take away a property right; it added one, allowing noncommercial messages on any signs permitted under the ordinance. Secondly, National's permit was not denied because of this alleged unconstitutional provision. National's permit was denied because it proposed to erect a sign that exceeded the size allowed under the ordinance.

National contends the amended ordinance violates the first amendment on its face and, at the very least, issues of material fact require reversal of summary judgment. These arguments are not persuasive. A careful reading of the Supreme Court decision in *Metromedia, Inc. v. City of San Diego* (1981) 453 U.S. 490, 69 L. Ed. 2d 800, 101 S. Ct. 2882, establishes that the ordinance does not violate the first amendment, and the court did not err in granting summary judgment to Downers Grove.

In *Metromedia*, a widely fragmented court struck down a San Diego ordinance that allowed on-site commercial advertising but prohibited, with limited exceptions, all off-site advertising and all noncommercial advertising. *Metromedia*, 453 U.S. at 494, 69 L. Ed. 2d at 806, 101 S. Ct. at 2885-86.

Justice White, joined by Justices Stewart, Marshall and Powell, ruled that a municipality could bar off-site commercial signs while allowing on-site commercial signs; however, an ordinance that allowed on-site commercial signs, but prohibited on-site noncommercial signs, violated the first amendment because it provided greater protection to commercial speech. (*Metromedia*, 453 U.S. at 513, 69 L. Ed. 2d at 818, 101 S. Ct. 2895 (opinion of White, J., joined by Stewart, Marshall and Powell, JJ.).) Justices

Brennan and Blackmun concurred with the judgment, but on a completely different basis. They found the city failed to offer sufficient proof that the ordinance served substantial governmental interests that could not be served by means less intrusive on activity protected by the first amendment. (453 U.S. at 528, 69 L. Ed. 2d at 827, 101 S. Ct. at 2903 (Brennan, J., concurring, joined by Blackmun, J.).) Justice Stevens, in a partial dissent, joined the plurality opinion in holding that San Diego could bar off-site commercial advertising while allowing on-site commercial advertising but disagreed with the plurality's opinion that the San Diego ordinance violated the first amendment by disallowing noncommercial speech where on-site commercial signs were allowed. (453 U.S. at 541, 69 L. Ed. 2d at 836, 101 S. Ct. at 2909-10 (Stevens, J., partially dissenting).) Chief Justice Burger and Justice (now Chief Justice) Rehnquist dissented in separate opinions, arguing that the ordinance did not violate the first amendment as a content-based regulation. 453 U.S. at 555, 69 L. Ed. 2d at 845, 101 S. Ct. at 2917 (Burger, C.J., dissenting; 453 U.S. at 569, 69 L. Ed. 2d at 854, 101 S. Ct. at 2924 (Rehnquist, J., dissenting).

Despite the fragmented decision, it is clear from the opinion of the plurality, which was joined by Justice Stevens, along with the opinions of Justice (now Chief Justice) Rehnquist and Chief Justice Burger, that a municipality may bar off-site advertising while permitting on-site advertising. Other jurisdictions have reached this same conclusion. (See *Scadron v. City of Des Plaines* (1990), 734 F. Supp. 1437, 1447; *Georgia Outdoor Advertising, Inc. v. City of Waynesville* (4th Cir. 1987), 833 F.2d 43, 45-46; *Major Media of the Southeast, Inc. v. City of Raleigh* (4th Cir. 1986), 792 F.2d 1269, 1273, *cert. denied* (1987), 479 U.S. 1102, 94 L. Ed. 2d 185, 107 S. Ct. 1334 (1987);

Wheeler v. Commissioner of Highways (6th Cir. 1987) 822 F.2d 586, 594, *cert. denied* (1988), 484 U.S. 1007, 98 L. Ed. 2d 653, 108 S. Ct. 702.) Under the plurality opinion, a billboard restriction violates the first amendment where it bars noncommercial advertising on a sign that is permissible if the content is commercial. "Insofar as the city tolerates billboards at all, it cannot choose to limit their content to commercial messages." (*Metromedia*, 453 U.S. at 513, 69 L. Ed. 2d at 818, 101 S. Ct. at 2895.) Downers Grove's ordinance falls completely in line with the plurality's opinion by permitting noncommercial copy on any signs otherwise permitted.

National argues that the ordinance fails the test set out by the plurality in *Metromedia*, or that it at least raises issues of fact that should not have been decided by summary judgment. We are not persuaded. *Metromedia* was decided by summary judgment, and *Metromedia* demonstrates that this ordinance passes the plurality's test as a matter of law. (See *Georgia Outdoor Advertising, Inc. v. Waynesville*, 833 F.2d at 45-46; *Major Media of the Southeast, Inc. v. City of Raleigh*, 792 F.2d at 1272.) Furthermore, the ordinance in this case not only passes the test set out by the plurality in *Metromedia*, it also passes as a content neutral time, place and manner restriction. See *Rzadkowolski v. Village of Lake Orion* (6th Cir. 1988) 845 F.2d 653, 654-55; *Wheeler v. Commissioner of Highways*, 822 F.2d at 590-96.

The plurality in *Metromedia* applied two tests to the San Diego ordinance, one for its regulation of commercial speech and one for its regulation of noncommercial speech. It first applied the standard for commercial speech, stating that a restriction of commercial speech is permissible if (1) it seeks to implement a substantial governmental interest; (2) directly advances that interest; and

(3) reaches no further than necessary to accomplish the given objective. 453 U.S. at 507, 69 L. Ed. 2d at 815, 101 S. Ct. 2892; *Central Hudson Gas & Electric Corp. v. Public Service Comm'n* (1980), 447 U.S. 557, 563-66, 65 L. Ed. 2d 341, 348-51, 100 S. Ct. 2343, 2350-51.

The *Metromedia* plurality, joined by Justice Stevens, found that traffic safety and esthetics are substantial goals of a municipality. (453 U.S. at 507-08, 69 L. Ed. 2d at 815, 101 S. Ct. at 2892-93; see also *City Council v. Taxpayers for Vincent* (1984), 466 U.S. 789, 807, 80 L. Ed. 2d 772, 788, 104 S. Ct. 2118, 2130.) These same goals are espoused by Downers Grove. Its stated purpose is to protect the public health, safety and welfare by reducing signs that may cause traffic safety problems and encouraging a sense of esthetic appreciation for the visual environment. National argues that Downers Grove's asserted interests in traffic safety and esthetics are a facade for the improper ulterior motive of suppressing speech. This attack is without merit. National offers no evidence that this motive exists, and there is no reason to believe that a Village that allows on-site advertising and off-site advertising in one district has set out to suppress speech.

The plurality also found that an ordinance barring billboards was no broader than necessary. The plurality stated:

> "If the city has a sufficient basis for believing that billboards are traffic hazards and are unattractive, then obviously the most direct and perhaps the only effective approach to solving the problems they create is to prohibit them." 453 U.S. at 508, 69 L. Ed. 2d at 815, 101 S. Ct. at 2893.

Finally, the plurality believed that a ban of off-site commercial billboards directly advanced the governmental interests of traffic safety and esthetics. (453 U.S. at 509-11,

69 L. Ed. 2d at 815-17, 101 S. Ct. at 2893-94.) The plurality stated that it hesitated to disagree with the accumulated, commonsense judgments of local lawmakers and the many reviewing courts that billboards are real and substantial hazards to safety. (453 U.S. at 509, 69 L. Ed. 2d at 816, 101 S. Ct. at 2893.) Likewise in this case, though National has submitted affidavits from experts attesting that the billboards do not operate as safety hazards, it is not the province of this court to say on this controversial subject whether the Village could not reasonably find otherwise.

As for the esthetic goal, the plurality stated that it is not speculative to recognize that billboards, wherever located and constructed, can be perceived as an esthetic harm. (453 U.S. at 510, 69 L. Ed. 2d at 816, 101 S. Ct. at 2893-94.) The plurality also rejected the argument that the ordinance was ineffective because the city allowed on-site billboards. (453 U.S. at 511, 69 L. Ed. 2d at 817, 101 S. Ct. at 2894.) It stated that whether on-site advertising is permitted, the prohibition of off-site advertising is directly related to the stated objectives of traffic safety and esthetics. The city may believe that off-site advertising, with its periodically changing content, presents a more acute problem than does on-site advertising. 453 U.S. at 511, 69 L. Ed. 2d at 817, 101 S. Ct. at 2894.

Thus, under the plurality opinion joined by Justice Stevens in *Metromedia*, it is clear the ordinance does not violate the first amendment with regard to its regulation of commercial speech. In regard to noncommercial speech, the *Metromedia* plurality held the city to a stricter standard, ruling that it could not ban noncommercial speech where commercial speech was allowed. Downers Grove's ordinance does not violate this rule since it expressly allows noncommercial speech on all signs otherwise permitted.

The ordinance also passes constitutional muster as a proper time, place and manner restriction. The *Metromedia* plurality declined to analyze the San Diego ordinance as a content neutral time, place and manner restriction, finding that the ordinance distinguished in several ways between permissible and impermissible signs on the basis of content. (453 U.S. at 517, 69 L. Ed. 2d at 820, 101 S. Ct. at 2897.) The San Diego ordinance provided 12 exceptions to its prohibition of noncommercial signs, allowing, for example, signs of religious symbols, signs carrying news items, and temporary political signs. (453 U.S. at 494-96, 69 L. Ed. 2d at 806-07, 101 S. Ct. at 2885-86.) Unlike the San Diego ordinance, the Downers Grove ordinance does not regulate content by providing content-based exceptions to its ban on noncommercial speech. It permits noncommercial messages of all types on any signs otherwise permitted.

National contends, however, that, since the content of the sign determines whether it is permissible, *i.e.*, a sign in an on-site district must advertise the business on the premises or a noncommercial message, the ordinance is not a neutral time, place and manner restriction. This is not persuasive. The distinction between on-site and off-site advertising is not aimed toward the suppression of an idea or viewpoint. (See *Taxpayers for Vincent*, 466 U.S. at 804, 80 L. Ed. 2d at 786-87, 104 S. Ct. at 2128.) As stated by the Sixth Circuit Court of Appeals in *Wheeler v. Commissioner of Highways*, 822 F.2d at 591:

> "[T]he on-premises/off-premises distinction does not constitute an impermissible regulation of content just because the determination of whether a sign is permitted at a given location is a function of the sign's message."

See also *Scadron v. City of Des Plaines*, 734 F. Supp. at 1447-48.

The test for determining whether a viewpoint neutral regulation is sufficiently justified as a time, place and manner restriction consists of essentially the same factors addressed under the plurality's test for commercial speech. A time, place and manner restriction must (1) further an important or substantial governmental interest, (2) be unrelated to the suppression of free expression, and (3) be no greater than necessary to the furtherance of that interest. (*United States v. O'Brien* (1968), 391 U.S. 367, 377; 20 L. Ed. 2d 672, 680, 88 S. Ct. 1673, 1679.) The ordinance clearly passes this test as we have already stated. It furthers a substantial governmental interest, is no greater than necessary, and is unrelated to the suppression of speech.

The final consideration under a time, place and manner restriction is whether the remaining alternative modes of communication are adequate. (*Taxpayers for Vincent*, 466 U.S. at 812, 80 L. Ed. 2d at 791, 104 S. Ct. at 2132-33.) Though Downers Grove has not banned all off-site advertising, National contends the size restrictions for off-site advertising in effect prohibit billboard advertising because the industry does not make signs this small. And, National argues that other means of communication are not as cost effective. While these factors may be true, it is not sufficient reason to strike this ordinance. By implication the *Metromedia* plurality opinion, though it did not address the regulation under a time, place, and manner restriction, supports this conclusion. In ruling that off-site advertising may be completely banned, the plurality demonstrates that it is not concerned with denying this mode of communication to advertisers. Also, restricting this mode of communication because of its detrimental effect on traffic safety and esthetics is supported by *Kovacs v. Cooper* (1949), 336 U.S. 77, 88-89, 93 L. Ed. 513, 69 S.

Ct. 448, where the Court found that the fact that more people may be more easily reached by sound trucks is not enough to call forth constitutional protection for what those charged with public welfare reasonably think is a nuisance when easy means of publicity are open.

National offers three other unpersuasive reasons for finding that the ordinance violates the first amendment.

National contends the ordinance unconstitutionally creates more severe restrictions for off-site noncommercial signs than on-site noncommercial signs. The size restriction for on-site signs in the B-2 and B-3 district is limited to two square feet per foot of lot frontage on adjacent streets, alleys or other public ways. National asserts that some on-site signs are larger than the ones it proposes to display. Thus, it argues that the ordinance violates the first amendment by allowing on-site advertisers to post larger noncommercial signs than off-site advertisers. As already discussed, *Metromedia* held that a municipality could permit on-site advertising, while banning off-site advertising completely. If this is permissible, then it is equally permissible for a municipality to restrict to a greater degree the size of off-site signs it allows. Any disparity between the size of noncommercial off-site and on-site signs is a result of a proper time, place and manner restriction.

National next argues that the ordinance impermissibly favors commercial over noncommercial speech. It contends that on-site occupants will have a greater incentive to post commercial rather than noncommercial signs. Whether this may be true, there is no violation of the first amendment. Private decisions of the property owners, not the will of the municipality, will govern this outcome. See *Major Media of the Southeast, Inc.*, 792 F.2d at 1273.

National finally argues that, because the ordinance fails to define commercial and noncommercial copy, officials will be vested with too much discretion in determining whether a sign is permissible in a given district. According to National, the line between commercial and noncommercial is too difficult to draw with accuracy without objective criteria in the ordinance to guide the officials. This argument was rejected by the Fourth Circuit Court of Appeals in *Major Media of the Southeast, Inc.* The court stated:

> "Although the ordinance provides no definition of 'commercial' or 'non-commercial' speech, sufficient guidance is given * * * by the various decisions of the Court relating to billboards and commercial speech. We agree with the district court that 'no codification of these items is necessary since the Supreme Court has already defined them.' See *Central Hudson Gas & Elec. v. Public Service Comm'n.*, 447 U.S. 557, 561, 100 S. Ct. 2343, 2348, 65 L. Ed. 2d 341 (1980). In *Central Hudson Gas*, the court stated that commercial speech was 'expression related solely to the economic interests of the speaker and its audience.' Although an occasional marginal case might arise raising the question of whether on the particular facts the definition of commercial speech would be correct, such an infrequent possibility should not in itself justify a generalized charge that the ordinance itself is vague * * *." (*Major Media of the Southeast, Inc.*, 792 F.2d at 1272-73.)

We are persuaded by this analysis. The basic definition provided in *Central Hudson Gas* provides sufficient guidance to officials.

National next contends the ordinance is an unreasonable exercise of Downers Grove's police power. There is little

need for extensive analysis on this point. As stated in a footnote to the plurality's opinion in *Metromedia*, the due process clause does not afford a greater degree of protection to appellant's business than does the first amendment.

> "Since we hold that the First Amendment interests in commercial speech are not sufficient to prevent the city from prohibiting offsite commercial advertisements, no different result should be reached under the Due Process Clause." 453 U.S. at 521 n.25, 69 L. Ed. 2d at 823 n.25, 101 S. Ct. at 2899 n.25.

See also *Village of Skokie v. Walton on Dempster, Inc.* (1983), 119 Ill. App. 3d 299, 302-04 (reviewing the difference between sign ordinance and other zoning and holding that sign ordinance was reasonable where it was based upon esthetic interest of community and applied uniformly to all citizens).

Next, National contends the ordinance results in a taking of its property in violation of the fifth amendment. This argument also fails.

A land-use regulation does not constitute a taking if it substantially advances legitimate State interests and does not deny an owner economically viable use of his land. (*Nollan v. California Coastal Comm'n* (1987), 483 U.S. 825, 834, 97 L. Ed. 2d 677, 687, 107 S. Ct. 3141.) A broad range of governmental purposes and regulations satisfy these requirements. See *Agins v. City of Tiburon* (1980), 447 U.S. 255, 65 L. Ed. 2d 106, 100 S. Ct. 2138 (scenic zoning); *Penn Central Transportation Co. v. New York City* (1978), 438 U.S. 104, 57 L. Ed. 2d 631, 98 S. Ct. 2646 (landmark preservation); *Village of Euclid v. Ambler Realty Co.* (1926), 272 U.S. 365, 71 L. Ed. 303, 47 S. Ct. 114 (residential zoning).

In the taking analysis, the type of taking often plays a critical role. A taking is more readily found when the interference with property can be characterized as a physical invasion by government rather than an interference that arises from some public program adjusting the benefits and burdens of economic life to promote the common good. (*Penn Central Transportation*, 438 U.S. at 124, 57 L. Ed. 2d at 648, 98 S. Ct. 2659.) Another relevant factor is the extent to which the regulation has interfered with distinct investment-backed expectations. *Penn Central Transportation*, 438 U.S. at 124, 57 L. Ed. 2d at 648, 98 S. Ct. at 2659.

Considering the above factors, it is clear National has not suffered a taking as a result of the Downers Grove's ordinance. Downers Grove has not physically invaded National's property rights. Rather, it has enacted a program that applies to everyone to promote the common good of traffic safety and esthetics, a program that, as already stated, substantially advances legitimate interests of the Village. Furthermore, there is no evidence that the owner of the property has been denied an economically viable use of his land. National is not the owner of the property; it is the lessee. Downers Grove has not interfered with National's legitimate investment-backed expectations. At all times, National had notice that its proposed signs violated the Village's ordinance. "Purchasers who acquire property with the expectation of using it for a purpose not permissible under current zoning restrictions should not expect loss resulting from denial of the proposed use to be a persuasive argument in securing the change." *Lapkus Builders, Inc. v. City of Chicago* (1964), 30 Ill. 2d 304, 310.

In its final argument, National contends the Downers Grove zoning board of appeals decision denying its peti-

tion for a variance is against the manifest weight of the evidence. The zoning ordinance provides that variances are to be granted where the literal enforcement of the ordinance would do manifest injustice or be contrary to the spirit and purpose of the ordinance. The facts do not demonstrate that the board of appeals acted against the manifest weight of the evidence. The evidence shows that National proposed to erect signs with a square footage three times the size allowed under the ordinance. Thus, enforcing the ordinance in this case was not contrary to the purpose of the regulation; it was in furtherance of it. Furthermore, as already stated, National was fully aware at the time that it leased the property that its signs violated the ordinance. There has been no manifest injustice.

Lastly, we address the motion filed by Downers Grove that was ordered taken with the case. Downers Grove filed a motion to strike a portion of National's reply brief in which National asserted at page 19 that a case cited by Downers Grove, *John Donnelly & Sons v. Mallar* (D. Me. 1978), 453 F. Supp. 1272, at 35, 50, and 51, was overturned on the very proposition upon which Downers Grove relied by *John Donnelly & Sons v. Campbell* (1st Cir. 1980), 639 F.2d 6. These cases predate *Metromedia.* Therefore, they are of little value to the resolution of this case. Nonetheless, Downers Grove accurately points out that National's reference to the first circuit case is inaccurate and misleading. It is clear that the proposition for which Downers Grove cited the lower court case was not overturned by the first circuit. Moreover, National's quotation from the concurring opinion in *Campbell* is misleading. National fails to inform this court that the quotation is not from the majority opinion and that this quote does not form the basis for the majority's opinion. According-

ly, the aforementioned portion of National's reply brief is stricken.

The judgment of the circuit court is affirmed.

Affirmed.

GEIGER and WOODWARD, JJ., concur.

UNITED STATES OF AMERICA

State of Illinois
Appellate Court
Second District—ss.

I, LOREN J. STROTZ, Clerk of the Appellate Court, in and for said Second Judicial District of the State of Illinois, and the keeper of the Records and Seal thereof, do hereby certify that the foregoing is a true, full and complete copy of the decision of the said Appellate Court in the above entitled cause of record in my said office.

IN TESTIMONY WHEREOF, I have set my hand and affixed the seal of the said Appellate Court, in Elgin, in said State, this 10th day of October, A.D. 1990.

/s/ LOREN J. STROTZ
Clerk Appellate Court, Second District

APPENDIX B

(Letterhead Of)

ILLINOIS SUPREME COURT
JULEANN HORNYAK, CLERK
SUPREME COURT BUILDING
SPRINGFIELD, ILL. 62706
(217) 782-2035

February 6, 1991

Mr. Thomas J. Cisar
Cisar & Gaddy
823 Commerce Drive S270
Oak Brook, IL 60521

No. 71291—National Advertising Company, petitioner, v. The Village of Downers Grove et al., respondents. Leave to appeal, Appellate Court, Second District.

The Supreme Court today DENIED the petition for leave to appeal in the above entitled cause.

The mandate of this Court will issue to the Appellate Court on February 28, 1991.

APPENDIX C

ARTICLE IX – SIGNS

SECTION 1 – PURPOSE

The regulations set forth herein are established in order to promote and protect generally public health, safety, comfort, prosperity and welfare and in order to accomplish the following specific purposes:

1.1 To enhance the economy, business and industry of the Village by promoting the reasonable, orderly, and effective use and display of signs.

1.2 To enhance the physical appearance of the Village.

1.3 To protect the general public from damage and injury which might be caused by the faulty and uncontrolled constructior and use of signs within the Village.

1.4 To protect the public use of streets and highways by reducing sign or advertising distractions that may increase traffic accidents.

1.5 To protect the physical and mental well being of the general public by recognizing and encouraging a sense of aesthetic appreciation for the visual environment.

1.6 To preserve the value of private property by assuring the compatibility of signs with surrounding land uses.

SECTION 2 – GENERAL CONSTRUCTION, MATERIAL, LOCATION AND PERFORMANCE STANDARDS

2.1 *Electrical Requirements*

2.1-1 The electrical components, connections, and installations of all signs shall conform to the Electrical Code of the Village and all regulations promulgated thereunder.

2.1-2 In no case shall such electrical wiring be exposed to the view of, or access by, the public.

2.2 *Wind Pressure and Load Requirements.* All permanent exterior signs shall be designed to withstand a wind pressure of not less than thirty (30) pounds per square foot of area.

2.3 *Gooseneck Reflectors and Lights.* Gooseneck reflectors and lights shall be permitted on permanent freestanding signs, wall signs, projecting signs and roof signs, provided that any such reflectors or lights shall be installed only in a manner such that the direct rays of such reflectors or lights are concentrated on the sign and are directed, shielded or otherwise constructed so as to avoid any glare on the adjacent street or adjacent properties.

* * * * *

h. Rummage or garage sale signs
i. Political campaign signs
j. Developers' temporary signs
k. Signs on public utility facilities or public facilities
l. Freestanding signs accessory to a permitted non-residential use, provided that the height of such sign shall not exceed six (6) feet and the surface area of such sign shall not exceed twenty (20) square feet
m. Professional office signs

4.1-2 Such signs may be located in any required yard but not less than five (5) feet from any side lot line nor less than five (5) feet from any lot line adjacent to a street except as otherwise provided in this Ordinance.

4.1-3 Unless specifically provided otherwise in this Section, no sign shall extend ten (10) feet in height.

4.1-4 *Content*: Except for political campaign signs and rummage or garage signs, content shall be limited to the business, product, and activity available or conducted on the zoning lot.

4.2 *R-5A and R-6 Districts*

4.2-1 *Permitted Sign Types*

a. Signs permitted in Subsection 4.1-1 of this Section
b. Building identification signs

4.2-2 Same as in paragraph 4.1-2 of this Section.

4.2-3 Same as in paragraph 4.1-3 of this Section.

4.2-4 *Content:* Same as in paragraph 4.1-4 of this Section.

SECTION 5 – BUSINESS AND MANUFACTURING DISTRICTS

In all business and manufacturing zoning districts only the following signs are permitted.

5.1 *B-1 District*

5.1-1 *Permitted Sign Types*

a. Awning and canopies
b. Freestanding signs not exceeding 20 feet
c. Wall signs
d. Window signs

e. Window promotional signs
f. Contractors' signs
g. Signs accessory to parking areas
h. Directional signs within the public right-of-way
i. Real estate signs
j. Political campaign signs
k. Developers' temporary signs
l. Window displays
m. Temporary external signs
n. Projecting signs
o. Signs on public utility facilities or public facilities

5.1-2 *Number*: There shall be no more than one freestanding sign for each zoning lot, provided that lots that have frontage on two arterial or collector streets may have one freestanding sign on each street frontage. All other types of signs shall be controlled by the area requirements of the zoning district and the limitations imposed by Sections 3 and 4 of this Article.

5.1-3 *Area*: The total amount of sign surface area permitted on a zoning lot shall not exceed one (1) square foot per front foot of lot frontage on an arterial or collector street.

Content:

5.1-4 Except for political campaign signs, no sign shall contain any words, letters or numbers other than the business name, symbol, the major business, address, or phone number, of the establishment, or any combination thereof.

5.2 *B-2 District*

5.2-1 *Permitted Sign Types*

a. Signs permitted in the B-1 district
b. Marquees

c. Temporary external signs as regulated
d. Roof signs, provided that the sign may be no more than six (6) feet in height or more than 20 feet above grade, whichever is lower.
e. Exterior rate signs

5.2-2 *Number*: There shall be a minimum of 100 feet of separation between freestanding signs on the same zoning lot as measured along the street frontage.

5.2-3 *Surface Area*: The total area of signs permitted on a zoning lot shall not exceed two (2) square feet per foot of lot frontage on all adjacent streets, alleys or other public ways.

Content:

5.2-4 Except for political campaign signs, content shall be limited to the business, product, or activity available or conducted on the zoning lot.

5.3 *B-3 District*

5.3-1 *Permitted Sign Types*

a. Signs permitted in the B-2 zoning district
b. Roof signs provided that maximum height shall not exceed fifteen (15) feet above the top of the roof.
c. Advertising signs not exceeding 20 feet in height and 200 square feet in area.

5.3-2 *Number*: Same as in paragraph 5.2-2 of this Section.

5.3-3 *Surface Area*: Same as in paragraph 5.2-3 of this Section.

5.3-4 *Content*: With the exception of advertising signs and political campaign signs, content shall be limited to the business, product or activity available or conducted on the zoning lot.

5.4 *M-1, M-2, O-R and O-R-M Districts*

5.4-1 *Permitted Sign Types*

a. Freestanding signs
b. Wall signs
c. Signs accessory to parking areas
d. Directional signs in the public right-of-way
e. Real estate signs
f. Ornamental or entry gate signs
g. Window display
h. Political campaign signs
i. Developers' temporary signs
j. Signs on public utility facilities or public facilities

5.4-2 *Surface Area*: Maximum total surface area of all signs on a zoning lot in an M-1, M-2, O-R or O-R-M zoning district shall not exceed one square foot per foot of lot frontage.

5.4-3 *Height*: Freestanding signs shall not exceed six feet in height.

Special provision: Signs on lots in the M-1 zoning district with frontage on Ogden Avenue may conform to the provisions of Subsection 5.3 of this Section.

5.4-4 *Content*: Except for political campaign signs, content shall be limited to the business, product, or activity available on the zoning lot.

APPENDIX D

1/87 Text Amendment — Signs

ORDINANCE NO. 3048

AN ORDINANCE AMENDING THE COMPREHENSIVE ZONING ORDINANCE OF THE VILLAGE OF DOWNERS GROVE, ILLINOIS PASSED AND APPROVED APRIL 19, 1965, AS AMENDED

WHEREAS, the Council of the Village of Downers Grove, DuPage County, Illinois, has heretofore adopted an ordinance entitled "Comprehensive Zoning Ordinance of the Village of Downers Grove, Illinois", passed and approved April 19, 1965, (which ordinance, as heretofore amended, is hereinafter referred to as the "Zoning Ordinance"); and

WHEREAS, certain amendments to the Zoning Ordinance have heretofore been proposed in the manner provided therein, and it appears that the Zoning Commission of the Village has given the required public notice and has conducted a public hearing respecting said proposed amendments, all in accordance with applicable law, and has recommended that certain amendments to the Zoning Ordinance be adopted; and

WHEREAS, the Council of said Village deems it to be necessary or desirable to promote the health, welfare and safety of the residents of said Village to adopt certain amendments to the Zoning Ordinance as hereinafter provided,

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Downers Grove, in DuPage County, Illinois, as follows:

SECTION 1. That Article III of the Zoning Ordinance is hereby amended by adding to the subparagraph entitled, *Sign, Advertising,* directly before the word "message," the word "noncommercial."

SECTION 2. That Article IX, Section 4.1-4 of the Zoning Ordinance is hereby amended by deleting that section in its entirety and substituting in lieu thereof the following:

> Except for signs containing noncommercial copy of any nature and rummage or garage sale signs, content of signs shall be limited to the business, product, and activity available or conducted on the zoning lot.

SECTION 3. That Article IX, Sections 5.1-4, 5.2-4, and 5.4-4 of the Zoning Ordinance are hereby amended by deleting those sections in their entirety and substituting in lieu thereof the following:

> Except for signs containing noncommercial copy of any nature, content of signs shall be limited to the business, product, and activity available or conducted on the zoning lot.

SECTION 4. That Article IX, Section 5.3-4 of the Zoning Ordinance is hereby amended by deleting that section in its entirety and substituting in lieu thereof the following:

> Except for signs containing noncommercial copy of any nature and advertising signs, content of signs shall be limited to the business, product, and activity available or conducted on the zoning lot.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 6. That this ordinance shall be in full force and effect from and after its passage and publication in pamphlet form as provided by law.

/s/ BETTY M. CHEEVER
Mayor

Passed: March 9, 1987

Published: March 9, 1987

Attest: /s/ BARBARA WALDNER
Village Clerk

Supreme Court, U.S.
FILED
JUN 6 1991
OFFICE OF THE CLERK

(2)

No. 90-1743

IN THE

Supreme Court of the United States

OCTOBER TERM, 1990

NATIONAL ADVERTISING COMPANY, a Delaware Corporation, subsidiary of Minnesota Mining and Manufacturing, a Delaware Corporation,

Petitioner,

vs.

THE VILLAGE OF DOWNERS GROVE, an Illinois municipal corporation,

Respondent.

Petition For Writ Of Certiorari To The Appellate Court Of Illinois, Second Judicial District

RESPONDENT'S BRIEF IN OPPOSITION

BARBARA J. GOSSELAR
Counsel of Record
KUBIESA & POWER, LTD.
5757 South Cass Avenue
Westmont, Illinois 60559
(708) 969-1040

Attorneys for Respondent

Midwest Law Printing Co., Chicago 60611, (312) 321-0220

QUESTIONS PRESENTED

1. Whether the respondent's sign ordinance, which allows noncommercial messages on all signs, fully protects petitioner's rights under the First Amendment to the Federal Constitution.
2. Whether the respondent's sign ordinance bears the necessary rational relationship to its primary goals of aesthetics and safety.
3. Whether the respondent's reasonable regulation of petitioner's signs constitutes a taking of property for which compensation is required.
4. Whether the respondent's amendment of its sign ordinance to allow noncommercial messages on any permitted sign impaired petitioner's contract or due process rights.

TABLE OF CONTENTS

	PAGE
QUESTIONS PRESENTED	i
TABLE OF AUTHORITIES	iv
PRAYER	1
STATEMENT OF THE CASE	2
SUMMARY OF ARGUMENT	8
ARGUMENT FOR DENYING THE PETITION:	
I.	
THE RESPONDENT'S SIGN ORDINANCE ALLOWS NONCOMMERCIAL COPY OF ANY NATURE ON ANY OTHERWISE PERMITTED SIGN	10
II.	
THE RESPONDENT'S SIGN ORDINANCE FULLY PROTECTS THE FIRST AMENDMENT RIGHTS OF THE PETITIONER AND ITS ADVERTISERS	12
A. It Is Constitutional To Strictly Regulate Off-Premises Commercial Signs So Long As Noncommercial Messages Are Permitted Everywhere That Commercial Messages Are Allowed	12
B. The Respondent's Sign Ordinance Passes The Test For A Valid Time, Place And Manner Restriction	14

C. The Terms Of Respondent's Sign Ordinance Are Sufficiently Clear To Advise Petitioner And Respondent's Officials As To What Signs Are Permitted 15

III.

THE RESPONDENT'S REASONABLE REGULATION OF PETITIONER'S SIGNS DOES NOT CONSTITUTE A TAKING OF PROPERTY FOR WHICH COMPENSATION IS REQUIRED ... 16

A. The Respondent's Sign Ordinance Is Reasonably Related To The Public Health, Safety And Welfare 16

B. The Regulations Of The Respondent's Sign Ordinance Do Not Constitute A Taking Of The Petitioner's Property Which Requires Compensation 19

IV.

THE RESPONDENT'S AMENDMENT OF ITS SIGN ORDINANCE TO ALLOW NONCOMMERCIAL MESSAGES ON ANY PERMITTED SIGN DID NOT IMPAIR EITHER THE PETITIONER'S CONTRACT OR DUE PROCESS RIGHTS 21

CONCLUSION 24

APPENDIX 1 ..... App. 1

TABLE OF AUTHORITIES

Cases	PAGE
A.E. Brewster v. City of Dallas, 703 F.Supp. 1260 (N.D. Tex. 1988)	13, 17, 18, 19
Central Hudson Gas and Electric v. Public Service Commission, 447 U.S. 557 (1980)	15
City of Champaign v. Kroger Co., 88 Ill.App.3d 498, 410 N.E.2d 661 (4th Dist. 1980)	17
First English Evangelical Lutheran Church of Glendale v. County of Los Angeles, 482 U.S. 304 (1987)	21
Georgia Outdoor Advertising, Inc. v. City of Waynesville, 833 F.2d 43 (4th Cir. 1987)	13
Jackson v. City Council of the City of Charlottesville, Virginia, 659 F.Supp. 470 (W.D.Vir. 1987)	19
Krych v. Village of Burr Ridge, 111 Ill.App.3d 461, 444 N.E.2d 229 (2d Dist. 1982)	17
Lindsay v. City of San Antonio, 821 F.2d 1103 (5th Cir. 1987), *cert. denied*, 484 U.S. 1010 (1988)	13
Major Media of the Southeast, Inc. v. City of Raleigh, 621 F.Supp. 1446 (E.D.N.C. 1985), *affirmed*, 792 F.2d 1269 (4th Cir. 1986), *cert. denied*, 479 U.S. 1102 (1987)	13
Major Media of the Southeast, Inc. v. City of Raleigh, 792 F.2d 1269 (4th Cir. 1986), *cert. denied*, 479 U.S. 1102 (1987)	10, 15, 17, 19
McNulty v. Town of Indialantic, 727 F.Supp. 604 (M.D.Fla. 1989)	20
Members of the City Council of the City of Los Angeles v. Taxpayers for Vincent, 466 U.S. 789 (1984)	16
Metromedia, Inc. v. City of San Diego, 453 U.S. 490 (1981)	*passim*

Naegele Outdoor Advertising Inc. v. City of Durham, 844 F.2d 172 (4th Cir. 1988) 18

National Advertising Co. v. Village of Downers Grove, 166 Ill.App.3d 58, 519 N.E.2d 502, 116 Ill.Dec. 610 (2d Dist. 1988), *cert. denied*, 121 Ill.2d 572 (1988) 6, 20

National Advertising Co. v. Village of Downers Grove, 204 Ill.App.3d 499, 561 N.E.2d 1300, 149 Ill.Dec. 604 (2d Dist. 1990) *cert. denied*, (1991) 8, 21, 22

Penn Central Transportation Co. v. New York City, 438 U.S. 104 (1978) 20

Scadron v. City of Des Plaines, 734 F.Supp. 1434 (N.D.Ill. 1990) 14

Rzadkowolski v. Village of Lake Orion, 845 F.2d 653 (6th Cir. 1988) 14, 17

Village of Downers Grove v. Clark, 78 CH 422 (18th Jud. Cir. Ill. 1978) 2

Village of Skokie v. Walton on Dempster, Inc., 119 Ill.App.3d 299, 456 N.E.2d 293 (1st Dist. 1983) .. 17

Wheeler v. Commissioner of Highways, 822 F.2d 586 (6th Cir. 1987), *cert. denied*, 484 U.S. 1007 (1988) 14, 17

Other Authorities

Constitution of the United States, First Amendment ..... *passim*

The Illinois Highway Advertising Control Act of 1971, *Illinois Revised Statutes*, ch. 121, sec. 501 *et seq.* (1989) ("HACA") 2, 4, 5, 6, 20

Interim Settlement Agreement entered January 16, 1985 ..... 4, 9, 19, 22, 23

1983 Downers Grove Zoning Ordinance 2, 4, 6, 21, 23

1987 Amendment to Downers Grove Zoning Ordinance ..... *passim*

No. 90-1743

IN THE

Supreme Court of the United States

OCTOBER TERM, 1990

NATIONAL ADVERTISING COMPANY, a Delaware Corporation, subsidiary of Minnesota Mining and Manufacturing, a Delaware Corporation,

Petitioner,

VS.

THE VILLAGE OF DOWNERS GROVE, an Illinois municipal corporation,

Respondent.

Petition For Writ Of Certiorari To The Appellate Court Of Illinois, Second Judicial District

RESPONDENT'S BRIEF IN OPPOSITION

PRAYER

Respondent, Village of Downers Grove, respectfully prays that a Writ of Certiorari to review the judgment of the Appellate Court of Illinois be denied.

STATEMENT OF THE CASE

Respondent has enacted a Comprehensive Zoning Ordinance which governs the use and improvement of property in the Village of Downers Grove, Illinois ("Downers Grove"). Included in such Zoning Ordinance is Article IX which, together with sign definitions set forth in Article III, governs the erection of signs in Downers Grove, and is referred to as the Downers Grove Sign Ordinance ("Sign Ordinance").

Prior to 1983, the Sign Ordinance prohibited off-premises signs. (R-1165) Respondent amended the Sign Ordinance in response to a decision of the 18th Judicial Circuit Court of Illinois in *Village of Downers Grove v. Clark*, 78 CH 422 (18th Jud. Cir., Ill. 1978), which held that a *prohibition* of off-premises signs was preempted by the Illinois Highway Advertising Control Act of 1971 (*Ill.Rev.Stat.*, ch. 121, sec. 501 *et seq.* (1989)) ("HACA"). (R-1165-1169) In 1983, when petitioner applied for permits for four (4) off-premises or advertising signs, the Sign Ordinance in effect *permitted* off-premises signs in the respondent's least restrictive zoning district, subject to certain size and height restrictions. Petitioner's permits were denied because its proposed signs exceeded the size and height restrictions of the ordinance, and in the case of one application, because off-premises or advertising signs were not allowed in the zone in which the sign was to be located. In this respect, the petitioner is inaccurate in representing to this Court that its proposed signs complied with "all lawful requirements of the respondent's ordinance." (Petition at 7) Such a contention is totally refuted by the petitioner's failure to comply with size restrictions upheld by both the trial and appellate courts below as lawful, reasonable and valid. (R-1467-1471)

Though the Sign Ordinance has been amended from time to time, at all times relevant to this case the following restrictions have been applicable to petitioner's proposed signs:

a) Advertising signs are permitted in the "B-3 General Services and Highway Business District", and in the "M-1 Light Manufacturing District" if the subject property fronts on Ogden Avenue in Downers Grove. (R-98; R-34, 35)

b) Advertising signs are limited in size to 200 square feet in face area. (R-98; R-34)

c) All freestanding signs in business districts, whether on-premises or advertising signs, are limited to 20 feet in height. (R-96; R-33)

d) The total allowable surface area for all on-premises and advertising signs on a lot is determined by the lot frontage. The total area of signs permitted on a zoning lot in the zones where advertising signs are permitted is calculated on the basis of 2 square feet of sign area per foot of lot frontage on all adjacent streets, alleys or other public ways. (R-97-98; R-34-35)

e) There are numerous locations in Downers Grove which are properly zoned for billboards, including three of the four locations where petitioner sought to erect such signs. These locations provide numerous opportunities for the presentation of both commercial and noncommercial messages so long as the size, height, and other zoning restrictions are met. (R-39-40)

At the time of the petitioner's application for permits for its advertising signs, content of signs was restricted to messages related to the business, product or activity

available or conducted on the zoning lot. In addition, advertising signs were allowed in the B-3 zone and on certain properties in the M-1 zone, and political campaign signs were permitted everywhere. (R-96-98) Contrary to the petitioner's contention, permitted on-premises signs were not limited solely to business identification. Noncommercial messages related to the business or activity on the lot and political messages were also permitted on all on-premises signs. (R-97-98) Further, advertising signs could display any message of a commercial or noncommercial nature. The respondent argued below that the Sign Ordinance in effect in 1983 was constitutional in that it treated commercial and noncommercial speech the same, and has never conceded that such ordinance was constitutionally defective. (R-368-371)

Because the petitioner alleged that it would be damaged for every month it was not permitted to erect its signs, in 1984 the parties executed an Interim Settlement Agreement to mitigate such damages. (R-377-384) A complete copy of the Interim Settlement Agreement is attached hereto as Appendix 1. It is apparent from the preambles to the Interim Settlement Agreement that settlement negotiations were predicated primarily on the parties' dispute over the effect of HACA on the applicability of the respondent's sign restrictions to the petitioner's proposed signs, rather than on the constitutional challenges raised by the petitioner.

By the terms of Sections 1 and 3 of the Interim Settlement Agreement, which was entered by the Court on January 16, 1985, the petitioner was permitted to erect three of its proposed signs, with the understanding that if the respondent successfully defended against the petitioner's challenge to the sign restrictions, the signs would be removed. (R-378-381) Section 4 of the Agreement specifically contemplated that the petitioner could be required to

modify its signs to conform to any amendment which the respondent might enact in response to the courts' determination. (R-381) Finally, Section 5 of the Agreement preserved all the respondent's rights and defenses with respect to the validity of the ordinances involved in the litigation. (R-381, 382) The respondent has contended that an amendment during the pendency of the litigation, to clarify the intent of the Sign Ordinance and assure its constitutionality, was not precluded by the agreement and could not prejudice the petitioner in any way.

The petitioner's Third Amended Complaint filed in 1986 contained four counts. (R-969-992) Count I sought administrative review of the denial by the Downers Grove Zoning Board of Appeals of a variation to permit the erection of a sign proposed for one of the proposed sign sites. Count II challenged the Sign Ordinance as preempted by HACA. Count III alleged that the Sign Ordinance violated the petitioner's First Amendment rights, and Count IV challenged the restrictions of the Sign Ordinance as unreasonable and constituting a taking of property without just compensation.

In 1986, the trial court ruled in favor of the petitioner on cross-motions for summary judgment as to Count II of the complaint. (R-432) The result of the court's ruling on Count II was to eliminate altogether any local authority to restrict signage in any manner which was more stringent than the regulations established under HACA. As a result, the respondent requested that the court certify its decision for interlocutory appeal. (R-432) The trial court concurred with the respondent that if its decision was upheld on appeal, any of the other challenges to the sign ordinance which were alleged in the petitioner's complaint would have been unnecessary, and the respondent would have been compelled to permit the petitioner's signs based on the maximum sizes established in HACA. (R-434-435)

The Second District Appellate Court reversed the trial court decision on Count II in *National Advertising Company v. Village of Downers Grove*, 166 Ill.App.3d 58, 519 N.E.2d 502, 116 Ill.Dec. 610 (2d Dist. 1988), *cert. denied*, 121 Ill.2d 572 (1988), holding that the respondent's strict local sign regulation (as opposed to a total prohibition of signs) was not preempted by HACA. Based on this holding, the petitioner's signs were not permitted either under the Sign Ordinance or under HACA which allowed the respondent's sign restrictions.

Though the respondent had contended that the Sign Ordinance in effect in 1983 was constitutional in that it treated commercial and noncommercial speech the same (R-368-371), in 1987, during the appeal on Count II of the petitioner's complaint, the respondent amended its Sign Ordinance to clarify its intent that commercial speech was not to be favored over noncommercial speech, and that noncommercial messages of any nature were to be allowed on any otherwise permitted sign in any zoning district in Downers Grove (see App. D to Petition for Certiorari).

The Sign Ordinance was amended in response to developments in the case law and in hopes of bolstering the respondent's First Amendment argument in another sign case. It was hoped that the amendment would render the plaintiff's First Amendment claim moot, and in fact, the plaintiff in that case dropped its First Amendment claim following adoption of the amendment. (R-795-796)

On remand to the trial court following the appellate court's reversal of Count II, the parties filed cross motions for summary judgment as to the petitioner's First Amendment challenge in Count III of the Third Amended Complaint. (R-12-41; R-175-274) On April 10, 1989, the trial court denied both parties' motions, and ruled that the Sign Ordinance, as amended in 1987, would apply to Count III.

(R-652) Thereafter, the petitioner filed a Fourth Amended Complaint, adding a challenge to the Sign Ordinance in effect in 1987 as part of its First Amendment challenge in Count III. (R-681-700) The respondent again moved for summary judgment, this time as to Counts III and IV of the petitioner's complaint. (R-831-862) The respondent filed affidavits in support of its motion to show that there were numerous locations zoned for advertising signs in Downers Grove, and to clarify the intent of the amendment made to the Sign Ordinance in 1987, that noncommercial signs of whatever nature should be permitted everywhere. (R-852-862; R-795-796) The respondent also moved to dismiss Count I, which sought administrative review of the Downers Grove Zoning Board of Appeal's denial of a variation from the sign regulations. (R-735-736)

On September 7, 1989, the trial court granted the respondent's motion for summary judgment as to Counts III and IV and denied its motion to dismiss Count I. (R-1356) Having considered the petitioner's First Amendment and due process challenges, the court found the 1987 ordinance valid. It is clear from the total record that the trial court adopted the respondent's arguments in support of its motion. (R-1544-1545) On November 14, 1989, the trial court ruled in favor of the respondent on the merits of the petitioner's challenge to the administrative action of the Downers Grove Zoning Board of Appeals in denying a variation for one of the petitioner's signs. (R-1441)

On October 10, 1990, the Second District Appellate Court affirmed the trial court's ruling in all respects, and on February 6, 1991, the Illinois Supreme Court denied the petitioner's request for leave to appeal.

SUMMARY OF ARGUMENT

The petitioner has stated no compelling reasons whatsoever for this Court's exercise of its discretion to hear its appeal. The question of sign regulation under both the First Amendment and the due process clause is well settled, and this Court has denied certiorari in several similar cases interpreting its decision in *Metromedia Inc. v. City of San Diego*, 453 U.S. 490 (1981). The respondent's Sign Ordinance, as amended in 1987, clearly protects the First Amendment rights of the petitioner and its advertisers, and is in complete accord with the decisions of this Court and of the various lower federal courts.

The petitioner has incorrectly interpreted the respondent's Sign Ordinance, arguing that it precludes noncommercial copy on signs in any zone except the B-3 zone where advertising signs are allowed. This construction is absurd in light of the 1987 amendment which clearly allows noncommercial copy of any nature on any permitted sign. Both the trial and appellate courts in Illinois resoundingly rejected the petitioner's attempts to twist the meaning of the Sign Ordinance, and recognized that its plain language permits noncommercial speech on any otherwise permitted sign. (R-1537); *National Advertising Company v. Village of Downers Grove*, 204 Ill.App.3d 499, 561 N.E.2d 1300, 149 Ill.Dec. 604 at 609, 611 (2d Dist. 1990), *cert. denied* (1991).

Having passed the strict scrutiny of the court's First Amendment analysis, the Sign Ordinance clearly meets the necessary test which assures that the petitioner's due process rights are protected. Further, as a regulatory ordinance, rationally related to the legitimate governmental

purposes of traffic safety and aesthetics, the Sign Ordinance does not constitute a taking of property for which compensation is required.

Since the 1987 amendment actually assured protection for the petitioner's rights by *adding* a clear right to place noncommercial messages on any sign permitted under the ordinance, the petitioner's argument that it has lost a vested right under either the Sign Ordinance or the Interim Settlement Agreement is without merit. In fact, the respondent's amendment to its Sign Ordinance in 1987 is completely consistent with the terms of the Interim Settlement Agreement. The respondent never waived its ongoing right to amend its ordinances, and the amendment itself benefitted the petitioner by giving it what it claimed it wanted—its First Amendment right to place noncommercial messages on any permitted sign. Because the Agreement specifically contemplated the possibility of amendments to the Sign Ordinance, and provided that such amendments made *after* the litigation could be applied to require the petitioner to modify its signs, the petitioner's situation is unchanged by the respondent's beneficial amendment during the litigation.

Though Rule 10 of this Court's Rules is not intended to control or fully measure this Court's discretion to review decisions, it does set forth the character of reasons to be considered. Petitioner has not shown why this Court's discretion to consider its appeal is warranted, as the decision of the Second District Appellate Court of Illinois is not in conflict with any decision of the Illinois Supreme Court, with any Federal Court of Appeals' decision, or with any applicable decision of this Court. The petitioner also fails to raise any important question of federal law which has not already been settled by this Court. In its Petition to this Court, the petitioner has merely reargued

the merits of its position, which were considered and rejected by the Second District Appellate Court of Illinois, and which were rejected for further review by the Illinois Supreme Court on Petition for Leave to Appeal. There is simply no basis whatsoever for issuing a writ of certiorari in this case.

ARGUMENT FOR DENYING THE PETITION

I.

THE RESPONDENT'S SIGN ORDINANCE ALLOWS NONCOMMERCIAL COPY OF ANY NATURE ON ANY OTHERWISE PERMITTED SIGN.

The 1987 amendment to the respondent's Sign Ordinance made it absolutely clear that noncommercial speech of whatever nature is allowed on any permitted sign. The Sign Ordinance created a specific exception from the restrictions which limit the content of signs to messages related to the "business, product or activity available or conducted on the zoning lot" to allow "noncommercial copy of *any nature*". *Downers Grove Zoning Ordinance*, Art. IX, secs. 4.1-4, 5.1-4, 5.2-4, 5.3-4, 5.4-4. This allowance for all noncommercial messages is totally consistent with this Court's decision in *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490 (1981). In fact, the respondent's sign regulations were patterned after the Raleigh sign regulations which were upheld in *Major Media of the Southeast, Inc. v. City of Raleigh*, 792 F.2d 1269 (4th Cir. 1986), *cert. denied* 479 U.S. 1102 (1987), following an analysis of the *Metromedia* decision.

In an attempt to create a conflict with this Court's decision in *Metromedia Inc. v. City of San Diego*, 453 U.S. 490 (1981), the petitioner has totally mischaracterized the provisions of the Sign Ordinance, as amended in 1987. The petitioner claims that the respondent's Sign Ordinance bars noncommercial speech in areas permitting commercial speech. Such an interpretation is not only inconsistent with the plain language of the 1987 amendment to the respondent's Sign Ordinance, but it defies logic to interpret the language of the amendment in this fashion. The 1987 amendment substituted the following language for the Sign Ordinance's previous content restrictions:

> *Except for signs containing noncommercial copy of any nature*, content of signs shall be limited to the business, product and activity available or conducted on the zoning lot. (emphasis added).

Downers Grove Zoning Ordinance, Art. IX, secs. 5.1-4, 5.2-4, 5.4-4. The obvious purpose of this language was to permit any noncommercial message on any allowable sign. For this reason, both the trial and appellate courts found the respondent's Sign Ordinance to be totally consistent with the holdings of *Metromedia*.

In *Metromedia*, this Court found the San Diego sign regulations unconstitutional because they allowed on-premises commercial signs while prohibiting on-premises noncommercial signs, thus offering greater protection to commercial speech than to noncommercial speech. 453 U.S. at 513. In addition, the San Diego ordinance distinguished among noncommercial messages, permitting some as exceptions to the sign regulations while not permitting others. The Court held this to be unlawful content-based discrimination. 453 U.S. at 514.

The trial and appellate courts below were convinced that the respondent's Sign Ordinance is distinguishable from

the defective San Diego ordinance in that it allows any noncommercial message on any sign permitted under the ordinance. This being the case, there can be no conflict with either this Court's ruling in *Metromedia*, or with any of the decisions which have interpreted it.

II.

THE RESPONDENT'S SIGN ORDINANCE FULLY PROTECTS THE FIRST AMENDMENT RIGHTS OF THE PETITIONER AND ITS ADVERTISERS.

There is no significant federal issue presented in this case which has not already been fully addressed by this Court. A sign ordinance which allows commercial on-premises and off-premises signs subject to reasonable size and height restrictions, and which allows noncommercial copy on any sign, fully protects the First Amendment rights of the petitioner and its advertisers.

A. It Is Constitutional To Strictly Regulate Off-Premises Commercial Signs So Long As Noncommercial Messages Are Permitted Everywhere That Commercial Messages Are Allowed.

Upon a careful analysis of this Court's decision in *Metromedia Inc. v. City of San Diego*, 453 U.S. 490 (1981), the Second District Appellate Court below correctly held that the respondent's Sign Ordinance does not violate the First Amendment. The appellate court concluded that the plurality of this Court, joined by Justice Stevens in a partial dissent, and Justice (now Chief Justice) Rehnquist and former Chief Justice Burger in dissenting opinions, had agreed that a city could *bar* off-site commercial signs in the interests of traffic safety and aesthetics, while allowing on-site signs. 453 U.S. at 507-512; 541, 553; 559-566;

569-570) The plurality in *Metromedia* also held that a billboard restriction violates the First Amendment if it bars noncommercial advertising on a sign where commercial advertising would be allowed. 453 U.S. at 513. The appellate court in this case upheld the respondent's sign restrictions, because it found that the respondent's Sign Ordinance allows noncommercial copy on any signs otherwise permitted. *National Advertising Company v. Village of Downers Grove*, 204 Ill.App.3d 499, 561 N.E.2d 1300, 149 Ill.Dec. 604 at 609, 611 (2d Dist. 1990).

The appellate court also adopted the viewpoint of the majority of this Court in *Metromedia* that traffic safety and aesthetics provided ample justification for a ban on off-site commercial billboards as a matter of law, that such a ban directly advanced such governmental interests, and that such a ban did not reach further than necessary to achieve its goals. 453 U.S. at 512. This Court relied on the "accumulated, common sense judgments of local lawmakers" in this regard. 453 U.S. at 509. Several courts since *Metromedia* have declined to treat this issue as factual, and have deferred to the legislative body for its determination of whether a regulation or prohibition of off-premises signs is justified by traffic safety and aesthetic concerns. *Georgia Outdoor Advertising, Inc. v. City of Waynesville*, 833 F.2d 43, 46 (4th Cir. 1987); *Lindsay v. City of San Antonio*, 821 F.2d 1103, 1108 n.8 (5th Cir. 1987), *cert. denied*, 484 U.S. 1010 (1988); *Major Media of the Southeast, Inc. v. City of Raleigh*, 621 F.Supp. 1446, 1451 (E.D.N.C. 1985), *affirmed*, 792 F.2d 1269 (4th Cir. 1986), *cert. denied*, 479 U.S. 1102 (1987); *A.E. Brewster v. City of Dallas*, 703 F.Supp. 1260, 1265, n.5 (N.D. Tex. 1988).

Because the respondent's Sign Ordinance allows noncommercial messages of whatever nature on any permitted

sign, the appellate court found it unnecessary to address any First Amendment issue with respect to such messages, because it found the respondent's Sign Ordinance to be fully consistent with this Court's holding in *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490 (1981).

B. The Respondent's Sign Ordinance Passes The Test For A Valid Time, Place And Manner Restriction.

The appellate court in the case at hand also upheld the respondent's Sign Ordinance as a valid, content-neutral time, place and manner restriction. Finding that the on-premises versus off-premises distinction is not content-based simply because the determination of whether a sign is permitted is a function of its message, the appellate court applied the test for a time, place and manner restriction to the respondent's ordinance and found it to be valid. See also *Wheeler v. Commissioner of Highways*, 822 F.2d 586, 590-96 (6th Cir. 1987), *cert. denied*, 484 U.S. 1007 (1988); *Scadron v. City of DesPlaines*, 734 F.Supp. 1434, 1447-48 (N.D.Ill. 1990); *Rzadkowolski v. Village of Lake Orion*, 845 F.2d 653, 654-55 (6th Cir. 1988). Because non-commercial messages may be placed on otherwise permitted signs throughout Downers Grove, it is clear that ample alternative means of communication exist.

The appellate court correctly upheld the provisions of the respondent's Sign Ordinance and its decision is consistent not only with this Court's holding in *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490 (1981), but with a myriad of cases which have interpreted and followed the reasoning in *Metromedia*.

C. The Terms Of Respondent's Sign Ordinance Are Sufficiently Clear To Advise Petitioner And Respondent's Officials As To What Signs Are Permitted.

The petitioner argues that the absence of any definition of the terms "commercial" and "noncommercial" in respondent's Sign Ordinance renders the ordinance too vague and allows respondent's officials too much discretion to decide which speech to allow and which to prohibit. The Court in *Major Media of the Southeast, Inc. v. City of Raleigh*, 792 F.2d 1269 (4th Cir., 1986), *cert. denied*, 479 U.S. 1102 (1987) determined that sufficient guidance as to the appropriate meaning of these terms had been provided by this Court's decisions, including *Central Hudson Gas & Electric v. Public Service Commission*, 447 U.S. 557 (1980). The Fourth Circuit in *Major Media* held that the basic definition of commercial speech as "expression related *solely* to the economic interests of the speaker and its audience" (emphasis added) (See *Central Hudson Gas & Electric v. Public Service Commission*, 447 U.S. at 561) gave sufficient guidance to Raleigh's officials, and that the infrequent possibility of a marginal question concerning whether speech was commercial or noncommercial in nature was not enough to justify a charge that the Raleigh ordinance was too vague. 792 F.2d at 1272-73.

Similarly, in the case at hand, respondent's officials are provided ample guidance as to the interpretation of the Sign Ordinance, and the risk of improper application is negligible. This is especially true since it is clear from the manner in which the respondent amended its Sign Ordinance in 1987 that its concern is *not* with the content of the speech, but rather with controlling the size and proliferation of signs in the interest of traffic safety and aesthetics.

III.

THE RESPONDENT'S REASONABLE REGULATION OF PETITIONER'S SIGNS DOES NOT CONSTITUTE A TAKING OF PROPERTY FOR WHICH COMPENSATION IS REQUIRED.

The petitioner's attempts to enlarge the due process issues in this case to issues of national scope and interest must certainly fail. The respondent's sign restrictions are rationally related to the public health, safety and welfare and the reasonable regulations of the Sign Ordinance do not constitute a taking.

A. The Respondent's Sign Ordinance Is Reasonably Related To The Public Health, Safety And Welfare.

The respondent has already argued, in the context of the First Amendment issue involved in Count III of the petitioner's Fourth Amended Complaint, that strict sign regulations substantially advance the public interest in aesthetics and traffic safety, as a matter of law. *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490 (1981). To the extent that the regulations of the Sign Ordinance serve to reduce the overall visual clutter, even if in a piecemeal fashion, they are reasonably related to these valid goals. See *Members of the City Council of the City of Los Angeles v. Taxpayers for Vincent*, 466 U.S. 789 (1984).

If a total prohibition of off-premises commercial signs is substantially related to the interests of the municipality in traffic safety and aesthetics under the strict scrutiny of First Amendment analysis, no different result should be reached under a due process analysis of the respondent's strict regulation of off-premises commercial signs. *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490 at 521, n.25 (1981).

Contrary to the petitioner's argument that the only reasonable regulation is regulation consistent with the industry's standards, the Illinois courts have already found much more stringent restrictions to be valid. See *Village of Skokie v. Walton on Dempster, Inc.*, 119 Ill.App.3d 299, 456 N.E.2d 293 (1st Dist. 1983); *Krych v. Village of Burr Ridge*, 111 Ill.App.3d 461, 444 N.E.2d 229 (2d Dist. 1982). Further, the respondent's Sign Ordinance is entitled to a presumption of validity. *City of Champaign v. Kroger Co.*, 88 Ill.App.3d 498, 410 N.E.2d 661 (4th Dist. 1980). The petitioner, therefore, has a heavy burden of showing that the Sign Ordinance is unrelated to the public health, safety and welfare, and if there is any possible rational basis for the ordinance, the court's review must be deferential to the legislative decision.

Since various courts have determined that commercial off-premises signs may be prohibited or severely regulated well below the standard industry size signs without violating either First Amendment or due process rights, it is clear that the respondent's restriction of off-premises commercial signs to 200 square feet in size and 20 feet in height is not unreasonable merely because it does not permit the petitioner's 1200 square foot "standard-size" signs. See *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490 (1981); *Rzadkowolski v. Village of Lake Orion*, 845 F.2d 653 (6th Cir. 1988); *Wheeler v. Commissioner of Highways, Commonwealth of Kentucky*, 822 F.2d 586 (6th Cir. 1987), *cert. denied*, 484 U.S. 1007 (1988); *A.E. Brewster v. City of Dallas*, 703 F.Supp. 1260 (N.D. Tex. 1988); and *Major Media of the Southeast, Inc. v. City of Raleigh*, 792 F.2d 1269 (4th Cir. 1986), *cert. denied*, 479 U.S. 1102 (1987).

The Village's Ordinance is also not unreasonable simply because the signs are proposed to be located in commer-

cial and industrial areas which are less than pristine in nature. In fact, the courts have specifically held to the contrary. In *Naegele Outdoor Advertising, Inc. v. City of Durham*, 844 F.2d 172, 174 (4th Cir. 1988), the Fourth Circuit Court of Appeals upheld the Durham ordinance on a motion for summary judgment, finding that the location of billboards in commercial and industrial areas did not preclude the city from relying on aesthetics to justify a ban on commercial off-premises signs.

Finally, the determination of the reasonableness of sign restrictions is not necessarily a factual inquiry, and the trial court properly rejected the petitioner's attempts to diminish the validity of the regulations by the affidavits of its experts. On a motion for summary judgment, the court in *A.E. Brewster v. City of Dallas*, 703 F.Supp. 1260 (N.D.Tex. 1988) recognized the significant burden of overcoming the judgment of legislators as to the appropriate regulations which are needed to achieve the public's goals. It rejected the empirical studies provided by the sign company concerning the relationship of traffic safety and billboards, and concluded that these studies could not substitute for the City's judgment. *Brewster*, 703 F.Supp. at 1265. Even in the face of affidavits from billboard experts to the effect that signs of the size required by local ordinance could not be seen by high speed travelers, the Court deferred to the legislative determination of the City as to the reasonableness of the restrictions. *Brewster*, 703 F.Supp. at 1264-5.

It was this significant burden which the petitioner was required to overcome, and substantial prior case law upholding similar regulations mandated a finding by the trial court that the respondent's Sign Ordinance is not arbitrary and capricious and fully protects the petitioner's due process rights, as a matter of law.

B. The Regulations Of The Respondent's Sign Ordinance Do Not Constitute A Taking Of The Petitioner's Property Which Requires Compensation.

The petitioner argues that the respondent's sign regulations unlawfully take its property without due process. However, if the regulations are reasonably related to the public interest, as argued by the respondent above, a taking of the petitioner's property cannot occur.

It is well settled in the law that a reasonable regulation does not constitute a taking of property in violation of the due process clause simply because it causes some adverse impact on the business of the property owner or lessee. This principle is especially apparent from a review of sign regulation cases. For example, the Western District of Virginia considered a due process challenge in *Jackson v. City Council of the City of Charlottesville, Virginia*, 659 F.Supp. 470, 476 (W.D. Vir. 1987), and upheld sign restrictions even though they deprived the owner of the highest and best use of his property, resulted in a loss of prospective business opportunities, and reduced the fair market value of the signs.

Despite the obvious impact on the sign company's business, numerous courts have held that even an amortization period which requires the elimination of existing previously lawful billboards within a certain period of time does not constitute a taking. *A.E. Brewster v. City of Dallas*, 703 F.Supp. 1260 (N.D. Tex. 1988); *Major Media of the Southeast, Inc. v. City of Raleigh*, 792 F.2d 1269 (4th Cir. 1986) *cert. denied*, 479 U.S. 1102 (1987). In this case, however, the signs erected by the petitioner under the Interim Settlement Agreement were not legally nonconforming, and the Village is not seeking to amortize them. Contrary to the petitioner's assertions, the signs *never* conformed to the size restrictions applicable to

them. They also did not conform to the requirements of HACA, since the courts have determined that HACA allows for the enforcement of strict local regulation. *National Advertising Co. v. Village of Downers Grove*, 166 Ill.App.3d 58, 519 N.E.2d 502, 116 Ill.Dec. 610 (2d Dist. 1988), *cert. denied*, 121 Ill.2d 572 (1988).

The court in *Penn Central Transportation Co. v. New York City*, 438 U.S. 104 (1978), held that in order to determine whether governmental regulations go too far, and constitute a taking of property without compensation, it is necessary to consider the character of the governmental action, the interference with reasonable investment-backed expectations, and the economic impact of the regulations. *Penn Central*, 438 U.S. at 124. In the case before this Court, it is clear that the petitioner had no reasonable investment-backed expectations, because it was always on notice that its signs were impermissibly large and high under the respondent's Sign Ordinance. The petitioner holds a leasehold over a small portion of property used for other commercial purposes. Its use of the leasehold for billboards was *always* contingent on its success in challenging the respondent's size regulation on signs, and it entered the leases with full knowledge that the size restrictions precluded its proposed signs. The court in *McNulty v. Town of Indialantic*, 727 F.Supp. 604, (M.D.Fla. 1989), specifically held that one who invests in land and improvements with notice of statutory impediments to its right to use the land as planned cannot justify legitimate investment-backed expectations. *McNulty*, 727 F.Supp at 611. The petitioner's claim that it is entitled to compensation for a regulatory taking is, therefore, defeated by the absence of any legitimate investment-backed expectations.

Further, the respondent's regulation of signs allows signs in a substantial number of locations, subject to reasonable

size and height limitations which are intended to assure the traffic safety and aesthetic interests of the community. Under these circumstances, the petitioner has not established the necessary economic impact, that is, a taking of all viable use of the property as required by *First English Evangelical Lutheran Church of Glendale v. County of Los Angeles*, 482 U.S. 304 (1987).

The respondent's sign restrictions do not result in an unlawful taking of the petitioner's property, and therefore, do not warrant the interest of this Court on review.

IV.

THE RESPONDENT'S AMENDMENT OF ITS SIGN ORDINANCE TO ALLOW NONCOMMERCIAL MESSAGES ON ANY PERMITTED SIGN DID NOT IMPAIR EITHER THE PETITIONER'S CONTRACT OR DUE PROCESS RIGHTS.

The petitioner has argued that it has a "vested right" to erect signs of precisely the size and height it desires, and contends that this right arises from the respondent's application of its allegedly unconstitutional 1983 Sign Ordinance to preclude its signs. The petitioner further argues that the respondent could not amend its sign regulations to assure their constitutionality, and then apply the amended regulations to prohibit its oversized signs.

The trial court and the Second District Appellate Court, respectively, scoffed at this argument as "logically preposterous" (R-1493), "a twist of logic," and "illogical." *National Advertising Company v. Village of Downers Grove*, 204 Ill.App.3d 499, 561 N.E.2d 1300, 149 Ill.Dec.604, 608 (2d Dist. 1990), *cert. denied* (1991). With regard to the 1987 amendment to the respondent's sign regulations, the Second District Appellate Court stated:

> In the first place, National has not *lost* a right it would have had but for the amended ordinance. The amended ordinance did not take away a property right; it *added* one, allowing noncommercial messages on any signs permitted under the ordinance. Secondly, National's permit was not denied because of this alleged unconstitutional provision. National's permit was denied because it proposed to erect a sign that exceeded the size allowed under the ordinance. (emphasis added).

National v. Downers Grove, 149 Ill.Dec. at 608-609.

In addition, the petitioner contends that it relied on the Interim Settlement Agreement and that the respondent's amendment to its Sign Ordinance in 1987 cannot be applied to its signs. In so arguing, the petitioner fails to advise this Court that the damages it waived under the Agreement were damages it claimed it would suffer for lost rent and profits until sign permits were issued. Since its signs were erected pursuant to the Agreement, it has benefitted from the rents and profits on those signs for over six years while its claim was being litigated. It is hard to believe the petitioner has not recovered its costs in that time. In any event, the Interim Settlement Agreement did nothing to guarantee an outcome favorable to the petitioner in this litigation.

The petitioner's argument with respect to its vested right to erect signs is especially ironic, because the 1987 amendment gave the petitioner what it *claimed* it wanted: its full First Amendment rights to place noncommercial copy on any otherwise permitted signs. The Interim Settlement Agreement says nothing and implies nothing concerning the respondent's ability to amend its sign regulations to grant *additional* authority for signage. In fact, paragraph 4 of the Agreement permitted the respondent

to amend its sign regulations in response to a final determination as to the constitutionality of such regulations, and to apply the amended regulations to the petitioner's signs. The petitioner has failed to show how circumstances would be any different *today*, if the 1983 Ordinance had been declared unconstitutional due to insufficient protection for noncommercial speech, and the respondent had amended its sign regulations to correct such a deficiency *after* such a judicial determination. Under the terms of the Interim Settlement Agreement, the size restrictions of the Sign Ordinance would still be applicable to the petitioner's proposed signs, and would still preclude the erection of such signs. The petitioner should have reasonably contemplated the possibility of such an outcome, and erred if it relied on its ability to claim a "vested right" to erect its signs simply because it applied for permits for such signs at a time when *it* believed that the respondent's sign regulations were unconstitutional.

In expending funds to obtain leases and prepare plans and in ultimately constructing the subject signs pursuant to the Interim Settlement Agreement, the petitioner simply took the chance that the respondent might be right, and that its sign regulations would either be held constitutional, or would be amended to render them constitutional. The petitioner did not rely on the continued existence of the provisions of the 1983 Sign Ordinance; it relied on its ability to successfully litigate this case. Its diminished likelihood of success in this litigation as a result of the 1987 amendment to the sign regulations does not give it a vested right to sign permits under any prior ordinance or under the Interim Settlement Agreement, especially since its signs *never* conformed to the valid size restrictions under any version of the Sign Ordinance.

CONCLUSION

The respondent respectfully prays that this Honorable Court deny the Petition for a Writ of Certiorari to review the judgment of the Second District Appellate Court of Illinois, as that decision fully conforms to the decisions of this Court and the Federal District and Circuit Courts, and raises no important or unique questions of federal law which have not already been fully addressed.

Respectfully submitted,

BARBARA J. GOSSELAR
Counsel of Record
KUBIESA & POWER, LTD.
5757 South Cass Avenue
Westmont, Illinois 60559
(708) 969-1040

Attorneys for Respondent

APPENDIX 1

INTERIM SETTLEMENT AGREEMENT

THIS INTERIM SETTLEMENT AGREEMENT is entered into on this 14th day of December, 1984, by and between plaintiff, NATIONAL ADVERTISING COMPANY, a Delaware corporation (subsidiary of Minnesota Mining and Manufacturing, a Delaware corporation) (hereinafter referred to as "National") and the VILLAGE OF DOWNERS GROVE, an Illinois home-rule municipality and its ZONING BOARD OF APPEALS (hereinafter collectively referred to as the "Village").

W I T N E S S E T H:

WHEREAS, heretofore National has filed suit against the Village challenging the validity of the Village's denial of permits for the erection of two (2) outdoor advertising signs (hereinafter referred to as the "Signs"); and

WHEREAS, subsequent to the filing of the lawsuit, National has obtained a lease for the erection of a third sign; and

WHEREAS, National's claim rests, in part, on the Illinois Highway Advertising Control Act, 121 Ill. Rev. Stats. Sec. 501, *et seq.*, which statute authorizes erection of signs, such as those proposed by National, of a size up to 1,200 square feet per sign face for double faced advertising signs; and

WHEREAS, it is the position of the Village that its ordinances with respect to the regulation of signs are legal, valid and enforceable, notwithstanding National's claim with respect to the Illinois Highway Advertising Control Act, and it intends to defend the validity in the present lawsuit; and

WHEREAS, National further asserts that the Village's refusal to permit the erection of the signs results in substantial damage to National in terms of lost sign rental revenues; and

WHEREAS, the parties, through their respective attorneys, have met in an effort to negotiate an Interim Settlement Agreement whereby National would be authorized to erect its signs on the properties described hereinbelow during the pendency of this lawsuit, subject to the limitations and reservations contained herein; and

WHEREAS, in exchange for such permission, National will agree to waive any and all claims for damages resulting from the Village's permit denials as specified hereinbelow;

NOW, THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Section 1: The Village hereby authorizes National to erect signs containing the following dimensions on the property described hereinbelow:

a. A double-face advertising sign, 67 feet in height, with each face being 672 square feet in area, to be located on the following described property:

That part of the southeast quarter of section 30, township 39 north, range 11, east of the third principal meridian, bounded and described as follows; Commencing at the southeast corner of said section 30; Thence north along the east line of said section 30 a distance of 650.39 feet (deed 650.43 feet) to the point of beginning, said point being the northeast corner of lot 4 of Northern Illinois Gas Company York Township Assessment plat no. 1 (document R 64-28042); Thence continuing north along the east line of said section 30, 628.25 feet to the south right of way line of Butterfield Road; Thence southwesterly along southerly line of said Butterfield Road, a distance of 808.00

feet; Thence southeasterly along a straight line, which is at right angles to the southerly line of said Butterfield Road, 950.106 feet to a point in the northerly line of aforementioned lot 4; Thence northeasterly along the northerly right of way line of the Northern Illinois Gas Company, being a curve concave to the southeast, having a radius of 4027.22 feet, a distance of 802.26 feet to the place of beginning, (except from said tract that part conveyed by Warranty deed from Goldblatt Bros, Inc, a corporation of Illinois to the State of Illinois, for the use of the Department of Public Works and Buildings recorded as document R69-46986 and rerecorded as document R69-50820) all in Du Page County, Illinois.

(the "Arun property"). The lease date for such sign is January 17, 1983.

b. A double-face advertising sign, 73 feet in height, with each face being 1,200 square feet in area, to be located on the following described property:

Part of Lot 3 and all of Lot 6 in Lloyd A. Goding's Assessment plat of part of Section 1, Township 38 North, Range 10 East of the third principal meridian, and part of Section 6, Township 38 north, range 11 east of the third principal meridian, according to the plat thereof recorded March 19, 1958 as document 873882, (except that part of said property heretofore dedicated for highway purposes), in Du Page County, Illinois.

(the "Stillwell property"). The lease date for such sign is May 1, 1984.

c. A double-face advertising sign, 73 feet in height, with each face being 1,200 square feet in area, to be located on the following described property:

Lots 1 and 2 in "Ford Leasing Development Co. Assessment Plat", a part of Lot 2 of Assessment Plat No. 3 of lands belonging to Trustees of Joy Morton, deceased, in Section 1, Township 38 north, range 10

east of the third principal meridian, in Du Page County, Illinois.

(the "Madden property")

the support member of such sign to be located directly on the lot line and the sign face projecting so as to extend only over the Madden property. The lease date for such sign is January 20, 1983.

The signs shall be erected substantially in accordance with the plans and specifications attached hereto as Exhibits A, B and C, respectively.

Section 2: In consideration for the permission authorized by Section 1 hereinabove, National agrees:

(a) that it will not erect nor seek permission to erect any other advertising signs within the corporate limits of the Village during the pendency of this action;

(b) that it does hereby waive any and all claims for damages, lost revenue, lost profits, or any other injury against the Village, its officers and officials, including any claims for costs and attorneys' fees against the Village, its officers and employees, which National alleges or may allege resulted from the Village's denial of National's applications to erect signs within the corporate limits of the Village (including, but not limited to, the signs described hereinabove in Paragraph 1), and any other damages with respect to said signs hereinafter accruing.

Section 3: In the event that it is finally determined by this Court (or the Illinois Appellate Court, the Illinois Supreme Court, or the United States Supreme Court, in the event of appeals) that the ordinances of the Village are valid or that for any other reason the Village acted legally and properly in denying National's sign permits, National shall, within thirty (30) days thereafter, remove

the signs erected pursuant to Section 1 hereinabove, or shall conform its signs to all requirements of the Village's ordinances and shall not request any further administrative relief by way of ordinance variation, amendment or otherwise from the Village, or its Boards or Commissions, so as to allow the erection of signs of the dimensions described in Section 1 hereinabove, unless otherwise permitted by the Village.

Section 4: In the event it is finally determined by this Court (or the Illinois Appellate Court, the Illinois Supreme Court or the United States Supreme Court, in the event of appeals) that the ordinances of the Village which regulate the signs described hereinabove are unconstitutional, void, beyond the authority of the Village, or for any other reason invalid, National shall be permitted to maintain such signs or to modify them in accordance with the final ruling or judgment entered in this case, or in accordance with valid requirements of any ordinances adopted by the Village in response to such final determination.

Section 5: This is an Interim Settlement Agreement. The erection of the signs as set forth hereinabove is being authorized by the Village for the sole purpose of mitigating possible damages during the pendency of this action so that a full judicial determination as to the validity of the applicable Village ordinances may be had in a manner that is equitable to both parties. The parties recognize that, in effecting this Interim Settlement Agreement, certain procedural requirements of the Village, sometimes referred to as administrative remedies, including, but not limited to, formal application for Village sign or building permits, requests for ordinance text amendments, variations or special uses, are, as to these signs only, obviated and avoided by the negotiation and execution of this Interim Settlement Agreement. National will

submit to the Village certificates of its structural engineer and its electrician, certifying that the sign installation are, or will be, in compliance with the Village requirements for structure, foundation and electrical wiring. National recognizes that, except as set forth herein, nothing in this Agreement and authorization shall be construed as a waiver by the Village of any rights or defenses with respect to the validity of said ordinances and other matters raised in this litigation.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 14th day of December, 1984.

NATIONAL ADVERTISING COMPANY

By: /s/ SANFORD M. STEIN by JMP
Sanford M. Stein
Its Attorney

VILLAGE OF DOWNERS GROVE

By: /s/ BARBARA J. GOSSELAR
Barbara J. Gosselar
Its Attorney

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing MOTION FOR LEAVE TO FILE INTERIM SETTLEMENT AGREEMENT AND PROPOSED ORDER were, this 6th day of December, 1984, served upon the following counsel of record. at the address listed below, by Personal Delivery, before 5:00 p.m.:

Barbara J. Gosselar, Esq.
Village of Downers Grove
Civic Center
Downers Grove, Illinois 60515

/s/ SANFORD M. STEIN
Sanford M. Stein

[Filed January 16, 1985]

UNITED STATES OF AMERICA

STATE OF ILLINOIS COUNTY OF DU PAGE

IN THE CIRCUIT COURT
OF THE EIGHTEENTH JUDICIAL CIRCUIT
DU PAGE COUNTY, WHEATON, ILLINOIS

NATIONAL ADVERTISING COMPANY, a Delaware corporation (subsidiary of Minnesota Mining and Manufacturing, a Delaware corporation),

-Vs.- Plaintiff, No. 83 MR 332

THE VILLAGE OF DOWNERS GROVE, an Illinois municipality, THE VILLAGE OF DOWNERS GROVE ZONING BOARD OF APPEALS, GREGORY BEGGS, ANTHONY TONZ, EUGENIA KUCERA, LAURENCE MUSIELAK, AND HAROLD SLAGTER,

Defendants.

AGREED ORDER

This cause coming on to be heard on the Joint Motion of the Parties for Leave to File Interim Settlement Agreement, counsel having represented to the Court that the Interim Settlement Agreement, a copy of which has been attached to the Motion, is a fair and reasonable Interim Settlement Agreement and,

the Court understanding that the Interim Settlement Agreement will not dispose of the litigation but will allow the parties to proceed with the litigation under the terms of the Interim Settlement Agreement, and the Court being fully advised on the premises,

IT IS HEREBY ORDERED that the Interim Settlement Agreement of the parties, as evidenced by the attachment hereto as Exhibit "A," is hereby entered of record.

Name SANFORD M. STEIN, ESQ.
DuPage Attorney No. 82557
Attorney for Plaintiff
Address 100 West Monroe Street, Suite 2100
City Chicago, Illinois 60603
Phone 312-382-0800

Enter: /s/ S. BRUCE SCIDMORE
Judge

Date: Jan. 16, 1985